



Finance & Tax Committee

**Friday, March 10, 2006
8:30 AM – 12:00 PM
404 HOB**

MEETING PACKET



The Florida House of Representatives

Fiscal Council

Finance & Tax Committee

Allan G. Bense
Speaker

Fred Brummer
Chair

AGENDA

March 10, 2006

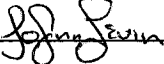

8:30 AM – 12:00 PM

404 HOB

- I. Chairman's Remarks
- II. **HB 47** – Hurricane Preparedness by Representative Greenstein.
- III. **HB 293** – Fiscally Constrained Counties by Representative Pickens.
- IV. **HB 547** – East County Water Control District by Representative Kreegel
- V. **HB 753** – Homestead Tax Deferral by Representative Rivera.
- VI. **HB 885** – Death Tax by Representative Stargel.
- VII. **PCB FT 06-02** – Taxation of Alcoholic Beverages by Finance & Tax.
- VIII. **PCB FT 06-04** – Property Taxation by Finance & Tax.
- IX. Adjourn

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB FT 06-02 Taxation of Alcoholic Beverages
SPONSOR(S): Finance & Tax Committee
TIED BILLS: **IDEN./SIM. BILLS:** SB 1292

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Finance & Tax Committee		Levin 	Diez-Arguelles 
1)			
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

Since 1990, Florida has imposed a tax on the retail sale of alcoholic beverages sold for consumption on the premises of the vendor. The tax rate was reduced by one-third in 1999, and again by one-half in 2000. The current tax rates are: 3.34 cents per 1 ounce of spirits or 4 ounces of wine, 1.34 cents per 12 ounces of beer, and 2 cents per 12 ounces of cider.

Twenty-seven and two-tenths percent of the tax proceeds are transferred to the Children and Adolescents Substance Abuse Trust Fund, for the purpose of funding programs directed at reducing and eliminating substance abuse problems. The remainder of the tax proceeds is transferred to the General Revenue Fund.

The bill eliminates the tax on the retail sale of alcoholic beverages for consumption on the premises of the vendor, terminates the Children and Adolescents Substance Abuse Trust Fund, and appropriates in excess of \$11 million from General Revenue to the Department of Children and Family Services for purposes of reducing or eliminating substance abuse in children and adolescents.

The bill provides and effective date of July 1, 2006, except as otherwise provided in this bill.

The Revenue Estimating Conference has determined that the bill will reduce state revenues by (\$45.3 million) in FY 06-07 and by (\$51.8 million) in FY 07-08.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes: The bill eliminates the tax imposed on alcoholic beverages sold for consumption on the premises of the vendor.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Since 1990, Florida has imposed a tax on the retail sale of alcoholic beverages sold for consumption on the premises of the vendor. The tax rate was reduced by one-third in 1999, and again by one-half in 2000. Current tax rates are: 3.34 cents per 1 ounce of spirits or 4 ounces of wine, 1.34 cents per 12 ounces of beer, and 2 cents per 12 ounces of cider.¹

Twenty-seven and two-tenths percent of the tax proceeds are transferred to the Children and Adolescents Substance Abuse Trust Fund, for the purpose of funding programs directed at reducing and eliminating substance abuse problems. The remainder of the tax proceeds is transferred to the General Revenue Fund.²

Proposed Changes

The bill eliminates the tax on the retail sale of alcoholic beverages sold for consumption on the premises of the vendor and terminates the Children and Adolescents Substance Abuse Trust Fund, effective July 1, 2006. The bill retains in place the administrative tax collection provisions of the statute until July 1, 2007.

The bill appropriates \$11,298,205 for FY 06-07 from the General Revenue Fund to the Department of Children and Family Services for the purpose funding programs directed at reducing or eliminating substance abuse in children and adolescents.

C. SECTION DIRECTORY:

Section 1. Amends s. 561.121 (4), F.S., to provide that tax revenues collected after July 1, 2006 must be transferred to the General Revenue Fund.

Section 2. Terminates the Children and Adolescents Substance Abuse Trust Fund and transfers any remaining balances, after payment of outstanding obligations, to the General Revenue Fund.

Section 3. Amends s. 215.20, F.S. to eliminate a cross reference to the Children and Adolescents Substance Abuse Trust Fund.

Section 4. Amends s. 561.501 to delete the tax imposed on alcoholic beverages consumed on the premises of the vendor.

Section 5. Repeals s. 561.501, F.S., as amended by this bill, effective July 1, 2007.

Section 6. Repeals s. 561.121 (4), F.S., effective July 1, 2007.

Section 7. Amends s. 561.025, F.S., to remove a cross reference, effective July 1, 2007.

Section 8. Appropriates \$1,298,205 from the General Revenue Fund to the Department of Children and Family Services for the purpose of reducing or eliminating substance abuse in children and adolescents.

Section 9. Provides an effective date of July 1, 2006, unless otherwise provided in the act.

¹ Section 561.501, F.S.

² Section 561.121(4), F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:	FY 06-07	FY 07-08	
General Revenue	(\$31.5m)	(\$37.7m)	
GR Service Charge	(1.0m)	(1.0m)	
CASA Trust Fund	<u>(\$12.8m)</u>	<u>(\$13.1m)</u>	
Total	(\$45.3m)	(\$51.8m)	:

2. Expenditures:

The bill appropriates \$11,298,205 for FY 06-07 from the General Revenue Fund to the Department of Children and Family Services for the purpose funding programs directed at reducing or eliminating substance abuse in children and adolescents.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Retail vendors of alcoholic beverages sold for consumption on the premises will no longer have to remit alcoholic beverage taxes to the state.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require cities and counties to spend funds, does not reduce the authority of cities and counties to raise revenues and does not reduce the percentage of a state tax shared with counties and municipalities.

2. Other:

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

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PCB FT 06-02

ORIGINAL

YEAR

A bill to be entitled

An act relating to the taxation of alcoholic beverages;
amending s. 561.121(4), F.S.; deleting provisions
crediting specified taxes on alcoholic beverages to
accounts funding substance abuse programs for children and
adolescents; terminating the Children and Adolescents
Substance Abuse Trust Fund within the Department of
Children and Family Services; providing for disposition of
balances in and revenues of such trust fund; amending s.
215.20, F.S.; conforming provisions to the repeal of the
trust fund; amending s. 561.501, F.S.; deleting a
provision imposing a surcharge on alcoholic beverages sold
for consumption on the premises; amending s. 561.025,
F.S., to conform; repealing 561.501, F.S., relating to the
collection of the alcoholic beverage surcharge; providing
for an appropriation from the General Revenue Fund to the
Department of Children and Family Services; providing
effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (4) of section 561.121, Florida
Statutes, is amended to read:

561.121 Deposit of revenue.--

(4)~~(a)~~ State funds collected pursuant to s. 561.501 shall
be paid into the State Treasury and credited to the General
Revenue Fund. ~~following accounts:~~

~~1. Twenty seven and two tenths percent of the surcharge on
the sale of alcoholic beverages for consumption on premises shall~~

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~~be transferred to the Children and Adolescents Substance Abuse Trust Fund, which shall remain with the Department of Children and Family Services for the purpose of funding programs directed at reducing and eliminating substance abuse problems among children and adolescents.~~

~~2. The remainder of collections shall be credited to the General Revenue Fund.~~

~~(b) For the 2004-2005 state fiscal year only, and notwithstanding the provisions of subparagraph (a)1., moneys in the Children and Adolescents Substance Abuse Trust Fund may also be used for the purpose of funding programs directed at reducing and eliminating substance abuse problems among adults. This paragraph expires July 1, 2005.~~

Section 2. (1) The Children and Adolescents Substance Abuse Trust Fund within the Department of Children and Family Services, FLAIR number 60-2-088, is terminated.

(2) The current balance remaining in, and all revenues of the trust fund shall be transferred to the General Revenue Fund.

(3) The Department of Children and Family Services shall pay any outstanding debts and obligations of the terminated fund as soon as practicable, and the Chief Financial Officer shall close out and remove the terminated fund from the various state accounting systems using generally accepted accounting principles concerning warrants outstanding, assets, and liabilities.

Section 3. Paragraph (e) of subsection (4) of section 215.20, Florida Statutes, is amended to read:

215.20 Certain income and certain trust funds to contribute to the General Revenue Fund.--

(4) The income of a revenue nature deposited in the

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following described trust funds, by whatever name designated, is that from which the appropriations authorized by subsection (3) shall be made:

(e) Within the Department of Children and Family Services:

1. The Administrative Trust Fund.
2. The Child Welfare Training Trust Fund.
- ~~3. The Children and Adolescents Substance Abuse Trust Fund.~~
- 3.4. The Domestic Violence Trust Fund.
- 4.5. The Grants and Donations Trust Fund.
- 5.6. The Operations and Maintenance Trust Fund.

The enumeration of the foregoing moneys or trust funds shall not prohibit the applicability thereto of s. 215.24 should the Governor determine that for the reasons mentioned in s. 215.24 the money or trust funds should be exempt herefrom, as it is the purpose of this law to exempt income from its force and effect when, by the operation of this law, federal matching funds or contributions or private grants to any trust fund would be lost to the state.

Section 4. Section 561.501, Florida Statutes, is amended to read:

561.501 Surcharge on sale of alcoholic beverages for consumption on the premises; penalty.--

~~(1) Notwithstanding s. 561.50 or any other provision of the Beverage Law, a surcharge of 3.34 cents is imposed upon each ounce of liquor and each 4 ounces of wine, a surcharge of 2 cents is imposed on each 12 ounces of cider, and a surcharge of 1.34 cents is imposed on each 12 ounces of beer sold at retail for consumption on premises licensed by the division as an alcoholic beverage vendor. However, the surcharges imposed under this~~

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~~subsection need not be paid upon such beverages when they are
sold by an organization that is licensed by the division under s.
561.422 or s. 565.02(4) as an alcoholic beverage vendor and that
is determined by the Internal Revenue Service to be currently
exempt from federal income tax under s. 501(c)(3), (4), (5), (6),
(7), (8), or (19) of the Internal Revenue Code of 1986, as
amended.~~

(1)~~(2)~~ The vendor shall report and remit payments to the
division each month by the 15th of the month following the month
in which the surcharges are imposed. For purposes of compensating
the retailer for the keeping of prescribed records and the proper
accounting and remitting of surcharges imposed under this
section, the retailer shall be allowed to deduct from the payment
due the state 1 percent of the amount of the surcharge due.
Retail records shall be kept on the quantities of all liquor,
wine, and beer purchased, inventories, and sales. However, a
collection allowance is not allowed on any collections that are
not timely remitted. If by the 20th of the month following the
month in which the surcharges are imposed, reports and
remittances are not made, the division shall assess a late
penalty in the amount of 10 percent of the amount due per month
for each 30 days, or fraction thereof, after the 20th of the
month, not to exceed a total penalty of 50 percent, in the
aggregate, of any unpaid surcharges. The division shall
establish, by rule, the required reporting, collection, and
accounting procedures. Records must be maintained for 3 years.
Failure to accurately and timely remit surcharges imposed under
this section is a violation of the Beverage Law.

(2)~~(3)~~(a) The division may compromise a taxpayer's

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117 liability for the surcharge imposed by this section upon the
118 grounds of doubt as to liability for or collectibility of such
119 tax. A taxpayer's liability for penalties as prescribed by this
120 section may be settled or compromised if the division finds that
121 the noncompliance is due to reasonable cause and not to willful
122 negligence, willful neglect, or fraud. The division shall
123 maintain records of all compromises, and the records must state
124 the basis for the compromise.

125 (b) The division may enter into agreements for scheduling
126 payments of taxes, interest, and penalties prescribed in this
127 section.

128 (c) The division shall establish by rule guidelines and
129 procedures for administering this section.

130 (3)~~(4)~~ If any vendor fails to remit the surcharge, or any
131 portion thereof, by the 20th of the month following the month in
132 which the surcharges are imposed, there shall be added to the
133 amount due interest at the rate of 1 percent per month of the
134 amount due from the date due until paid. Interest on the
135 delinquent tax shall be calculated beginning on the 21st day of
136 the month following the month for which the surcharge is due.

137 (4)~~(5)~~ All penalties and interest imposed by this section
138 are payable to and collectible by the division in the same manner
139 as if they were a part of the tax imposed. The division may
140 settle or compromise any such interest or penalty under paragraph
141 (2)~~(3)~~(a).

142 Section 5. Effective July 1, 2007, section 561.501, Florida
143 Statutes, as amended by this act, is repealed.

144 Section 6. Effective July 1, 2007, subsection (4) of
145 section 561.121, Florida Statutes, as amended by this act is

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repealed.

Section 7. Effective July 1, 2006, section 561.025, Florida Statutes, is amended to read:

561.025 Alcoholic Beverage and Tobacco Trust Fund.--There is created within the State Treasury the Alcoholic Beverage and Tobacco Trust Fund. All funds collected by the division under ss. 210.15, 210.40, or under s. 569.003 and the Beverage Law with the exception of state funds collected pursuant to ss. ~~561.501,~~ 563.05, 564.06, and 565.12 shall be deposited in the State Treasury to the credit of the trust fund, notwithstanding any other provision of law to the contrary. Moneys deposited to the credit of the trust fund shall be used to operate the division and to provide a proportionate share of the operation of the office of the secretary and the Division of Administration of the Department of Business and Professional Regulation; except that:

(1) The revenue transfer provisions of ss. 561.32 and 561.342(1) and (2) shall continue in full force and effect, and the division shall cause such revenue to be returned to the municipality or county in the manner provided for in s. 561.32 or s. 561.342(1) and (2); and

(2) Ten percent of the revenues derived from retail tobacco products dealer permit fees collected under s. 569.003 shall be transferred to the Department of Education to provide for teacher training and for research and evaluation to reduce and prevent the use of tobacco products by children.

Section 8. The sum of \$11,298,205 is appropriated from the General Revenue Fund to the Department of Children and Family Services for the purposes of reducing or eliminating substance abuse in children and adolescents.

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PCB FT 06-02

ORIGINAL

YEAR

175 Section 9. Except as otherwise expressly provided in this
176 act, this act shall take effect July 1, 2006.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB FT 06-04 Property Taxation
SPONSOR(S): Finance & Tax Committee
TIED BILLS: **IDEN./SIM. BILLS:** SB 1430

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Finance & Tax Committee		Monroe <i>KDSM</i>	Diez-Arguelles <i>[Signature]</i>
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

Current law limits the increase in assessed value of homesteaded property. Changes, additions, and improvements to such property are assessed at full just value. However, if a homestead property is destroyed by misfortune or calamity, the property may be repaired or replaced without being assessed at full just value, provided that the just value of property as repaired or replaced does not exceed 125 percent of the just value before the destruction.

The bill amends s. 193.155(4), F.S., to provide that changes, additions, or improvements to damaged or destroyed homestead property shall not increase the assessed value if:

- the square footage of a homestead is increased by 10 percent or less, or
- the square footage of the house as rebuilt or repaired does not exceed 1500 square feet.

The bill also amends s. 196.031, F.S., to specifically provide that under the following conditions damaged or destroyed homestead property shall retain its homestead status, when the property is uninhabitable on January 1:

- the property otherwise qualifies as homestead property,
- the owner notifies the property appraiser that he or she intends to repair or rebuild the property and make it his or her primary residence once it is rebuilt, and
- the owner does not claim a homestead exemption on any other property or otherwise violate the provisions of s. 196.031, F.S.

The Revenue Estimating Conference has estimated that this bill will reduce local revenues by \$3.8 million on an annual basis, assuming no change in millage rates. The bill will have no effect upon General Revenue.

This bill will take effect upon becoming law and apply retroactively to January 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes -This bill will change how property appraisers determine if homestead property should be reassessed upon being rebuilt after being damaged or destroyed by misfortune. As such, it will cause a shift in the property tax burden resulting in lower taxes for some persons.

B. EFFECT OF PROPOSED CHANGES:

Background:

Article VII, s. 4 of the State Constitution requires that all property be assessed at its just market value for ad valorem tax purposes. Just value has been interpreted to mean fair market value.

Article VII s. 4(c) of the State Constitution, provides for a homestead property assessment increase limitation. This provision is commonly known as "Save our Homes". The annual increase in a homestead property's assessed value is limited to 3 percent or the Consumer Price Index percentage change, whichever is lower, not to exceed just value. If there is a change in ownership, the property must be assessed at its just value on the following January 1. The value of changes, additions, or improvements to the homestead property is assessed as provided by general law. Section 193.155, F.S., implements this assessment limitation.

Section 193.155(4), F.S., provides that changes, additions, or improvements to homestead property are assessed at just value as of the first January 1 after the changes, additions, or improvements are substantially completed. However, paragraph (b) of s. 193.155(4), F.S., stipulates that changes, additions, or improvements do not include replacement of a portion of real property damaged or destroyed by misfortune or calamity when the just value of the damaged or destroyed portion as replaced has a just value that is not more than 125 percent of the previous just value of the damaged or destroyed portion. The value of any replaced real property or portion thereof which is in excess of 125 percent of the just value of the damaged or destroyed property is deemed to be a change, addition, or improvement and subject to assessment.

Proposed Changes:

The bill amends s. 193.155(4), F.S., to provide that changes, additions, or improvements to damaged or destroyed homestead property shall not increase the assessed value if:

- the square footage of a homestead is increased by 10 percent or less, or
- the square footage of the house as rebuilt or repaired does not exceed 1500 square feet.

The bill also amends s. 196.031, F.S., to specifically provide that under the following conditions damaged or destroyed homestead property shall retain its homestead status, when the property is uninhabitable on January 1:

- the property otherwise qualifies as homestead property,
- the owner notifies the property appraiser that he or she intends to repair or rebuild the property and make it his or her primary residence once it is rebuilt, and
- the owner does not claim a homestead exemption on any other property or otherwise violate the provisions of s. 196.031, F.S.

C. SECTION DIRECTORY:

Section 1 amends s. 193.155(4), F.S., to change the criteria under which the repair or replacement of property destroyed by a calamity will not trigger a reassessment under Save our Homes.

Section 2 amends s. 196.031, F.S., to specifically provide that a homestead destroyed by misfortune or calamity shall not lose its homestead status under certain conditions, even if the home is not inhabitable on January 1.

Section 3 provides that the bill shall take effect upon becoming law and apply retroactively to January 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference has estimated that the bill reduces local revenues by \$3.8 million on an annualized basis, assuming no change in millage rates by local governments.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill may reduce the assessed value of some property that replaces homestead property damaged or destroyed by misfortune or calamity, if the repairs or replacements fall within the bill's square footage thresholds but would have exceeded the current-law threshold of 125 percent of just value.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill reduces the authority that cities or counties have to raise ad valorem tax revenues in the aggregate. As such, the mandates provision would appear to apply. However, since the bill is implementing a constitutional provision, it can be argued that the mandates provision does not affect this bill. Nevertheless, it is recommended that the bill be passed by a two-thirds margin to avoid any possible constitutional issues.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

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PCB FT 06-04

ORIGINAL

YEAR

1 A bill to be entitled
2 An act relating to property taxation; amending s. 193.155,
3 F.S.; providing conditions under which changes, additions,
4 or improvements that replace all or a portion of homestead
5 property damaged or destroyed by misfortune or calamity
6 shall not be assessed at just value; providing for
7 assessment of replaced homestead property; amending s.
8 196.031, F.S.; providing conditions under which homestead
9 property that is damaged or destroyed by misfortune or
10 calamity and is uninhabitable on January 1 after the
11 damage or destruction occurs may be granted the homestead
12 exemption; providing for retroactive application;
13 providing an effective date.

14
15 Be It Enacted by the Legislature of the State of Florida:

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17 Section 1. Subsection (4) of section 193.155, Florida
18 Statutes, is amended to read:

19 193.155 Homestead assessments.--Homestead property shall
20 be assessed at just value as of January 1, 1994. Property
21 receiving the homestead exemption after January 1, 1994, shall be
22 assessed at just value as of January 1 of the year in which the
23 property receives the exemption.

24 (4)(a) Except as provided in paragraph (b), changes,
25 additions, or improvements to homestead property shall be
26 assessed at just value as of the first January 1 after the
27 changes, additions, or improvements are substantially completed.

28 (b) Changes, additions, or improvements that replace all
29 or do not include replacement of a portion of real property

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PCB FT 06-04

ORIGINAL

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30 | damaged or destroyed by misfortune or calamity shall not increase
 31 | the assessed value when the square footage of the homestead
 32 | property as changed or improved does not exceed 110 percent of
 33 | the square footage of the property before the damage or
 34 | destruction ~~just value of the damaged or destroyed portion as~~
 35 | ~~replaced is not more than 125 percent of the just value of the~~
 36 | ~~damaged or destroyed portion.~~ Additionally, the assessed value
 37 | shall not increase if the total square footage of the property as
 38 | changed or improved does not exceed 1,500 square feet. Changes,
 39 | additions, or improvements that do not cause the total to exceed
 40 | 110 percent of the total square footage of the property before
 41 | the damage or destruction, or that do not cause the total to
 42 | exceed 1,500 total square feet, shall be reassessed as provided
 43 | under subsection (1). Assessed value shall be increased by the
 44 | just value of that portion of the changed or improved homestead
 45 | property ~~any replaced real property, or portion thereof,~~ which is
 46 | in excess of 110 ~~125~~ percent of the square footage of the
 47 | homestead before the damage or destruction or of that portion
 48 | exceeding 1,500 square feet ~~just value of the damaged or~~
 49 | ~~destroyed property shall be deemed to be a change, addition, or~~
 50 | ~~improvement.~~ Homestead ~~Replaced real property~~ damaged or
 51 | destroyed by misfortunes or calamity which, after being changed
 52 | or improved, has a square footage ~~with a just value of less than~~
 53 | 100 percent of the original property's total square footage
 54 | before the damage or destruction ~~just value shall be assessed~~
 55 | pursuant to subsection (5). For purposes of determining assessed
 56 | value pursuant to this paragraph, the just value of the changed
 57 | or improved portion in excess of 110 percent of the square
 58 | footage before the damage or destruction, or that portion

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exceeding 1,500 square feet, shall be determined based on the
average just value of all square footage in the improved portions
of the homestead property determined as of January 1 of the year
following the change or improvement.

(c) Changes, additions, or improvements include
improvements made to common areas or other improvements made to
property other than to the homestead property by the owner or by
an owner association, which improvements directly benefit the
homestead property. Such changes, additions, or improvements
shall be assessed at just value, and the just value shall be
apportioned among the parcels benefiting from the improvement.

Section 2. Subsection (7) is added to section 196.031,
Florida Statutes, to read:

196.031 Exemption of homesteads.--

(7) When homestead property is damaged or destroyed by
misfortune or calamity and the property is uninhabitable on
January 1 after the damage or destruction occurs, the homestead
exemption may be granted if the property is otherwise qualified
and if the property owner notifies the property appraiser that he
or she intends to repair or rebuild the property and live in it
as his or her primary residence after it is repaired or rebuilt
and does not claim a homestead exemption on any other property or
otherwise violate this section.

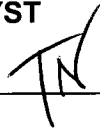

Section 3. This act shall take effect upon becoming a law
and shall apply retroactively to January 1, 2006.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 47 Hurricane Preparedness

SPONSOR(S): Greenstein and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 24

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax Committee		Noriega 	Diez-Arguelles 
2) Fiscal Council			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill provides that no sales tax will be collected between June 1, 2006 and June 12, 2006 on:

- (1) any portable self-powered light source selling for \$20 or less;
- (2) any portable self-powered radio, two-way radio, or weatherband radio selling for \$50 or less;
- (3) any tarpaulin or other flexible waterproof sheeting selling for \$50 or less;
- (4) any self-contained first-aid kit selling for \$30 or less;
- (5) any ground anchor system or tie-down kit selling for \$50 or less;
- (6) any gas or diesel fuel tank selling for \$25 or less;
- (7) any package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less;
- (8) any cell phone battery selling for \$60 or less and any cell phone charger selling for \$40 or less;
- (9) any nonelectric food storage cooler selling for \$30 or less;
- (10) any portable generator used to provide light or communications or preserve food in the event of a power outage selling for \$1,000 or less; and
- (11) any building materials, consisting of plywood and hardware used to secure plywood to a structure, selling for \$300 or less.

This bill also provides that building materials purchased by a construction company, building contractor, or commercial business or entity are not eligible for this exemption. Also, any construction company, building contractor, commercial business or entity that purchases or attempts to purchase building materials exempted by this bill commits an unfair method of competition in violation of s. 501.204, F.S., punishable as provided in s. 501.2075, F.S.

In addition, this bill provides that purchases that are eligible for the exemption may not be made using a business or company credit or debit card or check.

This bill grants rule-making authority to the Department of Revenue and appropriates \$221,400 from the General Revenue Fund to administer this sales tax holiday.

The fiscal impact of this bill is estimated to be a negative \$27.2 million in state revenues, and a negative \$6.1 million in local revenues during FY 2006–2007.

This bill appears to be a mandate. Therefore, it should have a 2/3 vote of the membership of each house.

This bill will become effective upon becoming a law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0047.FT.doc

DATE: 10/10/2005

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes:

This bill creates a 12-day sales tax holiday on certain supplies purchased in Florida to prepare for hurricane season.

B. EFFECT OF PROPOSED CHANGES:

Ch. 212, F.S., imposes a state sales tax on the sale of tangible personal property and authorizes local option taxes on such sales. This bill provides that no sales tax will be collected between June 1, 2006 and June 12, 2006 on: (1) any portable self-powered light source selling for \$20 or less; (2) any portable self-powered radio, two-way radio, or weatherband radio selling for \$50 or less; (3) any tarpaulin or other flexible waterproof sheeting selling for \$50 or less; (4) any self-contained first-aid kit selling for \$30 or less; (5) any ground anchor system or tie-down kit selling for \$50 or less; (6) any gas or diesel fuel tank selling for \$25 or less; (7) any package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less; (8) any cell phone battery selling for \$60 or less and any cell phone charger selling for \$40 or less; (9) any nonelectric food storage cooler selling for \$30 or less; (10) any portable generator used to provide light or communications or preserve food in the event of a power outage selling for \$1,000 or less; and (11) any building materials, consisting of plywood and hardware used to secure plywood to a structure, selling for \$300 or less.

The bill also provides that building materials purchased by a construction company, building contractor, or commercial business or entity; or purchases made using a business or company credit or debit card or check are not eligible for the exemption. In addition, any construction company, building contractor, or commercial business or entity that purchases or attempts to purchase building materials exempt as provided by this bill commits an unfair method of competition in violation of s. 501.204, F.S., punishable as provided in s. 501.2075, F.S.

C. SECTION DIRECTORY:

Section 1.

Subsection 1. Provides a sales tax exemption for certain supplies purchased between June 1 and June 12, 2006, provides rule-making authority to the Department of Revenue, provides criteria for eligibility, acceptable methods of purchase, and penalties.

Subsection 2. Provides that the Department of Revenue may adopt rules to carry out this sales tax holiday.

Section 2. Appropriates \$221,400 from the General Revenue Fund to the Department of Revenue to administer this sales tax holiday.

Section 3. Provides that the act will become effective upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference has estimated that the provisions of this bill will have the following negative fiscal impact on state government:

	<u>FY 2006–2007</u>
General Revenue	(\$27.1m)
State Trust	(\$0.1m)
Total State Impact	<u>(\$27.2m)</u>

2. Expenditures: The bill contains an appropriation of \$221,400 from the General Revenue Fund to implement the provisions of this bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference has estimated that this bill will have the following negative fiscal impact on local governments:

	<u>FY 2006–2007</u>
Revenue Sharing	(\$0.9m)
Local Gov't. Half Cent	(\$2.6m)
Local Option	(\$2.6m)
Total Local Impact	<u>(\$6.1m)</u>

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons that purchase the items covered by this bill during the 12-day period may save money by not having to pay a sales tax. In addition, the availability of the sales tax exemption may prompt some consumers to purchase more of the items eligible for the exemption, thereby causing an increase in the number of sales by Florida retailers.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill will reduce the authority of cities and counties to raise revenues in the aggregate through local option sales taxes by \$2.6 million, as estimated by the Revenue Estimating Conference. As

such, the mandates provision appears to apply to this bill and it does not seem to qualify for an exemption. Therefore, the bill should have a 2/3 vote of the membership of each house.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill gives the Department of Revenue authority to adopt rules concerning this tax holiday.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill provides an exemption for "any self-contained first-aid kit selling for \$30 or less." First-aid kits, including those sold for more than \$30, are currently exempt as a common household remedy according to a list prescribed and approved by the Department of Health, pursuant to s. 212.08(2)(a), F.S. Since all first-aid kits are currently exempt, it is recommended that this item be removed from the list of items covered by this bill.

The bill also provides an exemption for building materials, consisting of plywood and hardware used to secure plywood to a structure, selling for \$300 or less. The specific hardware items covered by the exemption are not listed in the bill, but it appears that the intent is to include hurricane clips, nails, screws, and any other type of fastener that could be used to secure plywood to a structure. However, it is unclear whether the intent of the bill is to exempt:

- (1) A single, *bundled* sale of plywood and hardware *totaling* \$300 or less, or
- (2) A sale of individual units such as individual sheets of plywood, hurricane clips, nails, screws, and other types of fasteners at a cost of \$300 or less *per item*.

The bill appropriates \$221,400 from the General Revenue Fund to the Department of Revenue for purposes of administering the provisions of the law. However, the Department estimates that the costs of printing and mailing a Taxpayer Identification Publication by first class postage to the parties affected by the provisions of the bill is \$277,540.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

1 A bill to be entitled

2 An act relating to hurricane preparedness; providing an
3 exemption from the sales and use tax for sales of certain
4 tangible personal property for a certain period for
5 certain purposes; providing an exception; prohibiting
6 purchases of certain building materials by certain means;
7 specifying certain activities by certain entities as
8 unfair methods of competition; providing civil penalties;
9 authorizing the Department of Revenue to adopt certain
10 rules; providing an appropriation; providing an effective
11 date.

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. (1) Effective June 1, 2006, through June 12,
16 2006, no tax levied under the provisions of chapter 212, Florida
17 Statutes, shall be collected on the sale of:

18 (a) Any portable self-powered light source selling for \$20
19 or less.

20 (b) Any portable self-powered radio, two-way radio, or
21 weatherband radio selling for \$50 or less.

22 (c) Any tarpaulin or other flexible waterproof sheeting
23 selling for \$50 or less.

24 (d) Any self-contained first-aid kit selling for \$30 or
25 less.

26 (e) Any ground anchor system or tie-down kit selling for
27 \$50 or less.

28 (f) Any gas or diesel fuel tank selling for \$25 or less.

29 (g) Any package of AAA-cell, AA-cell, C-cell, D-cell, 6-
30 volt, or 9-volt batteries, excluding automobile and boat
31 batteries, selling for \$30 or less.

32 (h) Any cell phone battery selling for \$60 or less and any
33 cell phone charger selling for \$40 or less.

34 (i) Any nonelectric food storage cooler selling for \$30 or
35 less.

36 (j) Any portable generator used to provide light or
37 communications or preserve food in the event of a power outage
38 selling for \$1,000 or less.

39 (k) Any building materials, consisting of plywood and
40 hardware used to secure plywood to a structure, selling for \$300
41 or less.

42 1. Building materials purchased by a construction company,
43 building contractor, or commercial business or entity are not
44 eligible for the exemption provided in this section.

45 2. Purchases made under this paragraph may not be made
46 using a business or company credit or debit card or check.

47 3. Any construction company, building contractor, or
48 commercial business or entity that purchases or attempts to
49 purchase building materials exempt as provided in this section
50 commits an unfair method of competition in violation of s.
51 501.204, Florida Statutes, punishable as provided in s.
52 501.2075, Florida Statutes.

53 (2) The Department of Revenue may adopt rules pursuant to
54 ss. 120.536(1) and 120.54, Florida Statutes, to carry out this
55 section.

56 Section 2. The sum of \$221,400 is appropriated from the

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57 | General Revenue Fund to the Department of Revenue for purposes
58 | of administering section 1.

59 | Section 3. This act shall take effect upon becoming a law.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (1)

Bill No. 47

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Finance & Tax Committee
Representative(s) Greenstein offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Be It Enacted by the Legislature of the State of Florida:

Section 1. (1) Effective May 21, 2006, through June 1, 2006, and May 20, 2007, through May 31, 2007, no tax levied under the provisions of chapter 212, Florida Statutes, shall be collected on the sale of:

(a) Any portable self-powered light source selling for \$20 or less.

(b) Any portable self-powered radio, two-way radio, or weatherband radio selling for \$50 or less.

(c) Any tarpaulin or other flexible waterproof sheeting selling for \$50 or less.

(d) Any ground anchor system or tie-down kit selling for \$50 or less.

(e) Any gas or diesel fuel tank selling for \$25 or less.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (1)

(f) Any package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less.

(g) Any cell phone battery selling for \$60 or less and any cell phone charger selling for \$40 or less.

(h) Any nonelectric food storage cooler selling for \$30 or less.

(i) Any portable generator used to provide light or communications or preserve food in the event of a power outage selling for \$1,000 or less.

(j) Any storm shutter device selling for \$300 or less.

(k) Any carbon monoxide detector selling for \$75 or less.

(l) Any single product consisting of two or more of the items listed in paragraphs (a)-(k) selling for \$200 or less.

(2) The Department of Revenue may adopt rules pursuant to ss. 120.536(1) and 120.54, Florida Statutes, to carry out this section.

Section 2. The sum of \$221,400 is appropriated from the General Revenue Fund to the Department of Revenue for purposes of administering section 1.

Section 3. This act shall take effect upon becoming a law.

===== T I T L E A M E N D M E N T =====

Remove the entire title and insert:

A bill to be entitled

An act relating to hurricane preparedness; providing an exemption from the sales and use tax for sales of certain tangible personal property for certain periods; authorizing the Department of Revenue to adopt rules; providing an appropriation; providing an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 293

Fiscally Constrained Counties

SPONSOR(S): Pickens

TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax Committee		Monroe <i>KDM</i>	Diez-Arguelles <i>[Signature]</i>
2) Local Government Council			
3) Fiscal Council			
4) _____			
5) _____			

SUMMARY ANALYSIS

This bill sets aside 0.0841 percent of available sales tax revenues for distribution to fiscally constrained counties. A "fiscally constrained county" is defined as a county in which a one mill property tax rate will raise no more than \$4 million in revenue annually. Twenty-nine counties currently qualify as a fiscally constrained county. Funds will be distributed by the Department of Revenue using a formula that factors in both the revenue raising potential of one mill, measured on a per capita basis, and a local-effort factor based on the county-wide operating millage levied by each county. Counties may use the distributions for any public purpose other than to pay debt service on any form of indebtedness. Distributions to counties that cease to qualify as a "fiscally constrained county" will be phased-out over a two-year period.

This bill also changes the criteria by which a county currently qualifies for an additional distribution of sales tax revenues under Section 218.65, F.S., by eliminating criteria under which a county with a population over 65,000 could continue to qualify for a distribution. The bill also provides for a two-year phase out of the distribution to a county which grows beyond the population cap.

This bill amends s. 985.2155(2), F.S., to redefine the term "fiscally constrained counties" as a county in which a one mill property tax rate will raise no more than \$4 million in revenue annually. The section provides for state funds to be used to cover the costs of juvenile detention in fiscally constrained counties.

Additionally, the bill appropriates \$2 million from the General Revenue Fund for the 2006-2007 fiscal year to the Office of Tourism, Trade, and Economic Development for the implementation of the rural priority recommendation within the statewide strategic economic development plan.

Finally, this bill reduces general revenue funds by a certain percentage and increases the revenues of fiscally constrained counties by the same amount. Based on 2005 sales tax revenue estimates this percentage would have been equal to \$15 million.

This bill has an effective date of July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Distributions to Fiscally Constrained Counties

Current Situation: Section 212.20(6), F.S., currently provides a formula for distributing the proceeds generated by the state tax on sales, use, and other transactions; communications services taxes other than those classified as gross receipts taxes; and, taxes on the retail sales price of any direct-to-home satellite service. After the required distribution to certain trust funds, the remaining tax proceeds are distributed in accordance with specific statutory standards to the General Revenue Fund, the Ecosystem Management and Restoration Trust Fund, the Local-Government Half-cent Sales Tax Clearing Trust Fund, the Revenue Sharing Trust Fund for Counties, and the Revenue Sharing Trust Fund for Municipalities. After these distributions are made, a specific amount of the remaining proceeds is distributed to each county, to qualified facilities for a new professional sports franchise or facilities for a retained spring training franchise, to professional golf halls of fame, and to International Game Fish Association World Center facilities. Any remaining proceeds remain in the General Revenue Fund.

Effect of Proposed Changes: This bill amends s. 212.20(6), F.S., to provide that, after initial distributions are made to the General Revenue Fund, the Ecosystem Management and Restoration Trust Fund, and the Local-Government Half-cent Sales Tax Clearing Trust Fund, 0.082 percent of the available proceeds is transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund to be distributed to "fiscally constrained counties" pursuant to s. 218.67, F.S.

The bill creates s. 218.67, F.S., to provide distributions of funds to fiscally constrained counties. The term "fiscally constrained county" is defined as each county for which the value of one mill will raise no more than \$4 million annually, based on the property valuations and tax data annually published by the Department of Revenue. Twenty-nine counties qualify as a "fiscally constrained county" under this definition: Baker, Bradford, Calhoun, Columbia, De Soto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Sumter, Suwannee, Taylor, Union, Wakulla, and Washington. Based upon 2005 taxable values of property, distributions to fiscally constrained counties range from \$142,554 to \$703,902, with 16 counties receiving over \$500,000.

The amount to be distributed to each fiscally constrained county will be determined by the Department of Revenue at the beginning of the fiscal year, using the prior fiscal year property valuations, tax data, population estimates and the previous year's millage rate. The amount distributed must be allocated based upon the following factors:

- The relative revenue-raising-capacity factor is the ability of the eligible county to generate ad valorem revenues from one mill of taxation on a per capita basis. A county that raises no more than \$25 per capita from one mill shall be assigned a value of 1; a county that raises more than \$25 but no more than \$30 per capita from one mill shall be assigned a value of 0.75; and a county that raises more than \$30 but no more than \$50 per capita from one mill shall be assigned a value of 0.5. No value shall be assigned to counties that raise more than \$50 per capita from one mill of ad valorem taxation.

- The local-effort factor is a measure of the relative level of local effort of the eligible county as indicated by the previous year's millage rate. The local-effort factor is the most recently adopted countywide operating millage rate for each eligible county multiplied by 0.1.
- Each eligible county's proportional allocation of the total amount available to be distributed to all of the eligible counties is the same proportion as the sum of the county's two factors is to the sum of the two factors for all eligible counties

For counties that no longer qualify as a "fiscally constrained county" after the effective date of this act, there will be a 2-year phase-out period. Beginning on July 1 of the year following the year in which the value of a mill for that county exceeds \$4 million in revenue, the county will receive two-thirds of the amount received in the prior year, and beginning on July 1 of the second year following the year in which the value of a mill for that county exceeds \$4 million in revenue, the county will receive one-third of the amount received in the last year that the county qualified as a fiscally constrained county. Following the 2-year phase-out period, the county will no longer be eligible to receive any distributions under this section unless the county can be considered a fiscally constrained county.

Distributions received by fiscally constrained counties may be used by a county for any public purpose, except to pay debt service on bonds, notes, certificates of participation, or any other forms of indebtedness.

Additional Distribution for Small Counties under Section 218.65(2), F.S.

Current Situation: Pursuant to s. 218.65(2), F.S., a county may receive, in addition to its regular distribution of funds from the Local Government Half-cent Sales Tax, and additional distribution if it is receiving less than a prescribed per capita amount. However, if the county has a population over 65,000, it must also meet additional criteria showing that it had minimal increases in their property tax base between 1977 and 1981. Once the county ceases to meet the criteria designated, it ceases to receive any supplemental distribution under this provision.

Effect of Proposed Changes: Under this bill, any county where the population grew to an amount over 65,000 would cease to qualify for a supplemental distribution under Section 218.65(2). However, for counties that no longer qualify under Section 218.65(2), F.S. after the effective date of this act, there will be a 2-year phase-out period. Beginning on July 1 of the year following the year in which the population grows above 65,000, the county will receive two-thirds of the amount received in the prior year, and beginning on July 1 of the second year following the year in which the population exceeds 65,000, the county will receive one-third of the amount received in the last year that the county qualified for such distribution. Following the 2-year phase-out period, the county will no longer be eligible to receive any distributions under this subsection.

Strategic Rural Marketing Program

Current Situation: One of the priority recommendations of the 2003 statewide strategic plan for economic development, "Roadmap to Florida's Future", is the implementation of an economic stimulus strategy for rural areas. To that end Enterprise Florida, Inc. (EFI) convened three forums, one in each of the State's Rural Areas of Critical Economic Concern (RACEC). EFI then coordinated a Rural Summit in Sebring on October 27, 2004. Participants included members of the local and regional economic development organizations, Rural Economic Development Initiative (REDI) members, regional partners, local businesses, utilities, (cooperatives and investor-owned) and interested persons. The outcome was the "7-Point Plan for Rural Florida" that would allow the three regions to speak with one voice, leverage limited resources and reach out to partner agencies and organizations for assistance and advocacy.

Further, the "7-Point Plan" was reviewed and overwhelmingly endorsed by the Rural Issues Working Group, the Enterprise Florida Partners Council, the Statewide Strategic Plan Committee and the Board of

Directors for Enterprise Florida and accepted by the Office of Tourism, Trade and Economic Development (OTTED). Systemic issues will be addressed through the "7-Point Plan" developed at the Rural Summit.¹

Funds allocated for this initiative will be used, but not exclusively, for the following activities:

- Potential site identification
- Industry cluster identification and direct marketing
- Identification of costs and barriers related to site preparation – including permitting and infrastructure availability
- Development of regional memoranda of agreement and interlocal agreements with units of local government and property owners
- Development and implementation of incidental marketing support materials and expenses.

Effect of Proposed Changes: The bill amends s. 288.0656, F.S., to provide that OTTED may accept and administer moneys appropriated to the office to support the implementation of the rural priority recommendation within the statewide strategic economic development plan, including the development of significant regional economic development projects in each of the designated rural areas of critical economic concern. OTTED may contract with Enterprise Florida, Inc., to develop regional project implementation plan components to include the identification of potential sites, direct marketing campaigns within the industry clusters for each area, identification of costs and barriers related to site preparation including permitting and infrastructure availability, development of memoranda of agreement and interlocal agreements with participating property owners and units of local government within each area regarding the parameters of project participation, and the development of incidental marketing support materials and expenses.

The bill appropriates \$2 million from the General Revenue Fund for the 2006-2007 fiscal year to the Office of Tourism, Trade, and Economic Development for the implementation of the rural priority recommendation within the statewide strategic economic development plan.

Shared Responsibility for Juvenile Detention

Current Situation: In accordance with s. 985.2155(1), F.S., it is the policy of this state that the state and counties have a joint obligation to contribute to the financial support of detention care provided for juveniles. Therefore, each county or the state must pay the costs incurred by the county in providing detention care for juveniles for the period of time prior to final court disposition. However, the state pays all costs of detention care for juveniles for which a fiscally constrained county would otherwise be billed. The term "fiscally constrained county" is defined as a county designated as a rural area of critical economic concern under s. 288.0656, F.S., for which the value of a mill in the county is no more than \$3 million, based on the property valuations and tax data annually published by the Department of Revenue under s. 195.052, F.S.

Effect of Proposed Changes: This bill amends s. 985.2155(2), F.S., to redefine the term "fiscally constrained counties" for purposes of that section. Under the new definition, a county is fiscally constrained if the value of a mill in the county is no more than \$4 million. The new definition does not require a county to be classified as a "rural area of critical economic concern." Twenty-nine counties qualify as a "fiscally constrained county" under this definition, including: Baker, Bradford, Calhoun, Columbia, De Soto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Sumter, Suwannee, Taylor, Union, Wakulla, and Washington. Highlands, Wakulla, and Sumter are the counties which do not currently qualify but will receive funds under this bill.

C. SECTION DIRECTORY:

¹ Information provided by Bridget Merrill, Director, Rural Competitiveness and Policies, Enterprise Florida
STORAGE NAME: h0293.FT.doc
DATE: 11/15/2005

Section 1. Amends s. 212.20(6), F.S., to provide for 0.082 percent of available sales tax proceeds to be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund for distribution to fiscally constrained counties. In addition, it makes a number of stylistic changes to promote uniformity in the provisions of the statute, and deletes obsolete language.

Section 2. Amends s. 218.65, F.S., to provide for a transitional emergency distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund to certain fiscally constrained counties and revises criteria for receiving certain funds from the Local Government Half-cent Sales Tax Clearing Trust Fund.

Section 3. Creates s. 218.67, F.S., providing a distribution formula to apportion the funds among fiscally constrained counties.

Section 4. Amends s. 288.0656, F.S., authorizing the Office of Tourism, Trade, and Economic Development to accept and administer moneys appropriated to the office to support the implementation of the rural priority recommendation within the statewide strategic economic development plan, including the development of significant regional economic development projects in each of the designated rural areas of critical economic concern.

Section 5. Amends s. 288.1169(6), F.S., to update a cross reference.

Section 6. Amends s. 985.2155, F.S., revising the definition of "fiscally constrained county".

Section 7. Provides an appropriation of \$2 million from the General Revenue Fund for the 2006-2007 fiscal year to the Office of Tourism, Trade, and Economic Development for the implementation of the rural priority recommendation within the statewide strategic economic development plan.

Section 8. Provides that this bill shall take effect July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: This bill will reduce the state's share of sales tax revenues, which the 2005 revenue estimating conference estimated to have a negative impact of \$15 million recurring to the General Revenue Fund.
2. Expenditures: This bill appropriates \$2 million from the General Revenue Fund for the 2006-2007 fiscal year to OTTED for the implementation of the rural priority recommendation within the statewide strategic economic development plan. In addition, the juvenile detention provision of this bill will result in approximately \$825,000 worth of additional expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: This bill will distribute annually to fiscally constrained counties a percentage of the state sales tax, which was estimated to equal \$15 million by the 2005 revenue estimating conference.
2. Expenditures: None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other: None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

1 A bill to be entitled

2 An act relating to fiscally constrained counties; amending
3 s. 212.20, F.S.; providing for a distribution of tax
4 revenue to fiscally constrained counties; amending s.
5 218.65, F.S.; providing for a transitional emergency
6 distribution from the Local Government Half-cent Sales Tax
7 Clearing Trust Fund to certain fiscally constrained
8 counties; revising criteria for receiving certain funds
9 from the Local Government Half-cent Sales Tax Clearing
10 Trust Fund; creating s. 218.67, F.S.; providing
11 eligibility criteria to qualify as a fiscally constrained
12 county; providing for the distribution of additional funds
13 to certain fiscally constrained counties; providing for a
14 phaseout period; providing for the use of funds; amending
15 s. 288.0656, F.S.; authorizing the Office of Tourism,
16 Trade, and Economic Development to accept and administer
17 moneys appropriated for rural economic development;
18 authorizing the office to contract with Enterprise
19 Florida, Inc.; amending s. 288.1169, F.S.; correcting a
20 cross-reference; amending s. 985.2155, F.S.; revising the
21 definition of the term "fiscally constrained county"
22 applicable to shared county and state responsibility for
23 juvenile detention; providing an appropriation; providing
24 an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Paragraph (d) of subsection (6) of section

29 | 212.20, Florida Statutes, is amended to read:

30 | 212.20 Funds collected, disposition; additional powers of
31 | department; operational expense; refund of taxes adjudicated
32 | unconstitutionally collected.--

33 | (6) Distribution of all proceeds under this chapter and s.
34 | 202.18(1)(b) and (2)(b) shall be as follows:

35 | (d) The proceeds of all other taxes and fees imposed
36 | pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
37 | and (2)(b) shall be distributed as follows:

38 | 1. In any fiscal year, the greater of \$500 million, minus
39 | an amount equal to 4.6 percent of the proceeds of the taxes
40 | collected pursuant to chapter 201, or 5 percent of all other
41 | taxes and fees imposed pursuant to this chapter or remitted
42 | pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
43 | monthly installments into the General Revenue Fund.

44 | 2. Two-tenths of one percent shall be transferred to the
45 | Ecosystem Management and Restoration Trust Fund to be used for
46 | water quality improvement and water restoration projects.

47 | 3. After the distribution under subparagraphs 1. and 2.,
48 | 8.814 percent of the amount remitted by a sales tax dealer
49 | located within a participating county pursuant to s. 218.61
50 | shall be transferred into the Local Government Half-cent Sales
51 | Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
52 | be transferred pursuant to this subparagraph to the Local
53 | Government Half-cent Sales Tax Clearing Trust Fund shall be
54 | reduced by 0.1 percent, and the department shall distribute this
55 | amount to the Public Employees Relations Commission Trust Fund
56 | less \$5,000 each month, which shall be added to the amount

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calculated in subparagraph 4. and distributed accordingly.

4. After the distribution under subparagraphs 1., 2., and 3., 0.095 percent of the available proceeds shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

5. After the distributions under subparagraphs 1., 2., 3., and 4., 2.0440 percent of the available proceeds ~~pursuant to this paragraph~~ shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

6. After the distributions under subparagraphs 1., 2., 3., and 4., 1.3409 percent of the available proceeds ~~pursuant to this paragraph~~ shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

7. After the distributions under subparagraphs 1., 2., 3.,

85 and 4., 0.082 percent of the available proceeds shall be
86 transferred to the Local Government Half-cent Sales Tax Clearing
87 Trust Fund and distributed pursuant to s. 218.67.

88 8.7. Of the remaining proceeds:

89 a. In each fiscal year, the sum of \$29,915,500 shall be
90 divided into as many equal parts as there are counties in the
91 state, and one part shall be distributed to each county. The
92 distribution among the several counties shall begin each fiscal
93 year on or before January 5th and shall continue monthly for a
94 total of 4 months. If a local or special law required that any
95 moneys accruing to a county in fiscal year 1999-2000 under the
96 then-existing provisions of s. 550.135 be paid directly to the
97 district school board, special district, or a municipal
98 government, such payment shall continue until ~~such time that~~ the
99 local or special law is amended or repealed. The state covenants
100 with holders of bonds or other instruments of indebtedness
101 issued by local governments, special districts, or district
102 school boards prior to July 1, 2000, that it is not the intent
103 of this subparagraph to adversely affect the rights of those
104 holders or relieve local governments, special districts, or
105 district school boards of the duty to meet their obligations as
106 a result of previous pledges or assignments or trusts entered
107 into which obligated funds received from the distribution to
108 county governments under then-existing s. 550.135. This
109 distribution specifically is in lieu of funds distributed under
110 s. 550.135 prior to July 1, 2000.

111 b. The department shall distribute \$166,667 monthly
112 pursuant to s. 288.1162 to each applicant that has been

113 certified as a "facility for a new professional sports
114 franchise" or a "facility for a retained professional sports
115 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
116 distributed monthly by the department to each applicant that has
117 been certified as a "facility for a retained spring training
118 franchise" pursuant to s. 288.1162; however, not more than
119 \$208,335 may be distributed monthly in the aggregate to all
120 certified facilities for a retained spring training franchise.
121 Distributions shall begin 60 days following such certification
122 and shall continue for not more than 30 years. Nothing contained
123 in this paragraph shall be construed to allow an applicant
124 certified pursuant to s. 288.1162 to receive more in
125 distributions than actually expended by the applicant for the
126 public purposes provided for in s. 288.1162(6). However, a
127 certified applicant is entitled to receive distributions up to
128 the maximum amount allowable and undistributed under this
129 section for additional renovations and improvements to the
130 facility for the franchise without additional certification.

131 c. Beginning 30 days after notice by the Office of
132 Tourism, Trade, and Economic Development to the Department of
133 Revenue that an applicant has been certified as the professional
134 golf hall of fame pursuant to s. 288.1168 and is open to the
135 public, \$166,667 shall be distributed monthly, for up to 300
136 months, to the applicant.

137 d. Beginning 30 days after notice by the Office of
138 Tourism, Trade, and Economic Development to the Department of
139 Revenue that the applicant has been certified as the
140 International Game Fish Association World Center facility

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pursuant to s. 288.1169, and the facility is open to the public,
\$83,333 shall be distributed monthly, for up to 168 months, to
the applicant. This distribution is subject to reduction
pursuant to s. 288.1169. ~~A lump sum payment of \$999,996 shall be
made, after certification and before July 1, 2000.~~

~~9.8.~~ All other proceeds shall remain with the General
Revenue Fund.

Section 2. Section 218.65, Florida Statutes, is amended to
read:

218.65 Emergency distribution.--

(1) Each county government which meets the provisions of
subsection (2) or subsection (8)~~(7)~~ and which participates in
the local government half-cent sales tax shall receive a
distribution from the Local Government Half-cent Sales Tax
Clearing Trust Fund in addition to its regular monthly
distribution as provided in this part.

(2) The Legislature hereby finds and declares that a
fiscal emergency exists in any county which meets the following
criteria ~~specified in paragraph (a), if applicable, and the
criterion specified in paragraph (b):~~

(a) ~~If~~ The county has a population of 65,000 or less; and
~~above:~~

~~1. In any year from 1977 to 1981, inclusive, the value of
net new construction and additions placed on the tax roll for
that year was less than 2 percent of the taxable value for
school purposes on the roll for that year, exclusive of such net
value; or~~

~~2. The percentage increase in county taxable value from~~

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169 ~~1979 to 1980, 1980 to 1981, or 1981 to 1982 was less than 3-~~
170 ~~percent.~~

171 (b) The moneys distributed to the county government
172 pursuant to s. 218.62 for the prior fiscal year were less than
173 the current per capita limitation, based on the population of
174 that county.

175 (3) Qualification under this section shall be determined
176 annually at the start of the fiscal year. Emergency and
177 supplemental moneys shall be distributed monthly with other
178 moneys provided pursuant to this part.

179 (4) For the fiscal year beginning in 1988, the per capita
180 limitation shall be \$24.60. Thereafter, commencing with the
181 fiscal year which begins in 1989, this limitation shall be
182 adjusted annually for inflation. The annual adjustment to the
183 per capita limitation for each fiscal period shall be the
184 percentage change in the state and local government price
185 deflator for purchases of goods and services, all items, 1983
186 equals 100, or successor reports for the preceding calendar year
187 as initially reported by the United States Department of
188 Commerce, Bureau of Economic Analysis, as certified by the
189 Florida Consensus Estimating Conference.

190 (5) At the beginning of each fiscal year, the Department
191 of Revenue shall calculate a base allocation for each eligible
192 county equal to the difference between the current per capita
193 limitation times the county's population, minus prior year
194 ordinary distributions to the county pursuant to ss.
195 212.20(6)(d)3., 218.61, and 218.62. If moneys deposited into the
196 Local Government Half-cent Sales Tax Clearing Trust Fund

pursuant to s. 212.20(6)(d)4., excluding moneys appropriated for supplemental distributions pursuant to subsection ~~(8)(7)~~, for the current year are less than or equal to the sum of the base allocations, each eligible county shall receive a share of the appropriated amount proportional to its base allocation. If the deposited amount exceeds the sum of the base allocations, each county shall receive its base allocation, and the excess appropriated amount, less any amounts distributed under subsection (6), shall be distributed equally on a per capita basis among the eligible counties.

(6) If moneys deposited in the Local Government Half-cent Sales Tax Clearing Trust Fund pursuant to s. 212.20(6)(d)4. exceed the amount necessary to provide the base allocation to each eligible county, the moneys in the trust fund may be used to provide a transitional distribution, as specified in this subsection, to certain counties whose population has increased. The transitional distribution shall be made available to each county that qualified for a distribution under subsection (2) in the prior year but does not, because of the requirements of paragraph (2)(a), qualify for a distribution in the current year. Beginning on July 1 of the year following the year in which the county no longer qualifies for a distribution under subsection (2), the county shall receive two-thirds of the amount received in the prior year, and beginning July 1 of the second year following the year in which the county no longer qualifies for a distribution under subsection (2), the county shall receive one-third of the amount it received in the last year it qualified for the distribution under subsection (2). If

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225 insufficient moneys are available in the Local Government Half-
 226 cent Sales Tax Clearing Trust Fund to fully provide such a
 227 transitional distribution to each county that meets the
 228 eligibility criteria in this section, each eligible county shall
 229 receive a share of the available moneys proportional to the
 230 amount it would have received had moneys been sufficient to
 231 fully provide such a transitional distribution to each eligible
 232 county.

233 ~~(7)~~~~(6)~~ There is hereby annually appropriated from the
 234 Local Government Half-cent Sales Tax Clearing Trust Fund the
 235 distribution provided in s. 212.20(6)(d)4. to be used for
 236 emergency and supplemental distributions pursuant to this
 237 section.

238 ~~(8)~~~~(7)~~(a) Any county the inmate population of which in any
 239 year is greater than 7 percent of the total population of the
 240 county is eligible for a supplemental distribution for that year
 241 from funds expressly appropriated therefor. At the beginning of
 242 each fiscal year, the Department of Revenue shall calculate a
 243 supplemental allocation for each eligible county equal to the
 244 current per capita limitation pursuant to subsection (4) times
 245 the inmate population of the county. If moneys appropriated for
 246 distribution pursuant to this section for the current year are
 247 less than the sum of supplemental allocations, each eligible
 248 county shall receive a share of the appropriated amount
 249 proportional to its supplemental allocation. Otherwise, each
 250 shall receive an amount equal to its supplemental allocation.

251 (b) For the purposes of this subsection, the term:

252 1. "Inmate population" means the latest official state

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estimate of the number of inmates and patients residing in institutions operated by the Federal Government, the Department of Corrections, or the Department of Children and Family Services.

2. "Total population" includes inmate population and noninmate population.

Section 3. Section 218.67, Florida Statutes, is created to read:

218.67 Distribution for fiscally constrained counties. --

(1) Each county for which the value of a mill will raise no more than \$4 million in revenue, based on the property valuations and tax data annually published by the Department of Revenue under s. 195.052, shall be considered a fiscally constrained county.

(2) Each fiscally constrained county government that participates in the local government half-cent sales tax shall be eligible to receive an additional distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, as provided in s. 212.20, in addition to its regular monthly distribution provided under this part and any emergency or supplemental distribution under s. 218.65.

(3) The amount to be distributed to each fiscally constrained county shall be determined by the Department of Revenue at the beginning of the fiscal year, using the prior fiscal year property valuations, tax data, and population estimates and the millage rate levied for the prior fiscal year. The amount distributed shall be allocated based upon the following factors:

281 (a) The relative revenue-raising-capacity factor shall be
282 the ability of the eligible county to generate ad valorem
283 revenues from 1 mill of taxation on a per capita basis. A county
284 that raises no more than \$25 per capita from 1 mill shall be
285 assigned a value of 1; a county that raises more than \$25 but no
286 more than \$30 per capita from 1 mill shall be assigned a value
287 of 0.75; and a county that raises more than \$30 but no more than
288 \$50 per capita from 1 mill shall be assigned a value of 0.5. No
289 value shall be assigned to counties that raise more than \$50 per
290 capita from 1 mill of ad valorem taxation.

291 (b) The local-effort factor shall be a measure of the
292 relative level of local effort of the eligible county as
293 indicated by the millage rate levied for the prior fiscal year.
294 The local-effort factor shall be the most recently adopted
295 countywide operating millage rate for each eligible county
296 multiplied by 0.1.

297 (c) Each eligible county's proportional allocation of the
298 total amount available to be distributed to all of the eligible
299 counties shall be in the same proportion as the sum of the
300 county's two factors is to the sum of the two factors for all
301 eligible counties. The counties that are eligible to receive an
302 allocation under this subsection and the amount available to be
303 distributed to such counties shall not include counties
304 participating in the phaseout period under subsection (4) or the
305 amounts they remain eligible to receive during the phaseout.

306 (4) For those counties that no longer qualify under the
307 requirements of subsection (1) after the effective date of this
308 act, there shall be a 2-year phaseout period. Beginning on July

1 of the year following the year in which the value of a mill for that county exceeds \$4 million in revenue, the county shall receive two-thirds of the amount received in the prior year, and beginning on July 1 of the second year following the year in which the value of a mill for that county exceeds \$4 million in revenue, the county shall receive one-third of the amount received in the last year that the county qualified as a fiscally constrained county. Following the 2-year phaseout period, the county shall no longer be eligible to receive any distributions under this section unless the county can be considered a fiscally constrained county as provided in subsection (1).

(5) The revenues received under this section may be used by a county for any public purpose, except that such revenues may not be used to pay debt service on bonds, notes, certificates of participation, or any other forms of indebtedness.

Section 4. Subsection (7) of section 288.0656, Florida Statutes, is amended to read:

288.0656 Rural Economic Development Initiative. --

(7) REDI may recommend to the Governor up to three rural areas of critical economic concern.

(a) A rural area of critical economic concern must be a rural community, or a region composed of such, that has been adversely affected by an extraordinary economic event or a natural disaster or that presents a unique economic development opportunity of regional impact that will create more than 1,000 jobs over a 5-year period. The Governor may by executive order

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designate up to three rural areas of critical economic concern which will establish these areas as priority assignments for REDI as well as to allow the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development incentive. Such incentives shall include, but not be limited to: the Qualified Target Industry Tax Refund Program under s. 288.106, the Quick Response Training Program under s. 288.047, the Quick Response Training Program for participants in the welfare transition program under s. 288.047(8), transportation projects under s. 288.063, the brownfield redevelopment bonus refund under s. 288.107, and the rural job tax credit program under ss. 212.098 and 220.1895. Designation as a rural area of critical economic concern under this subsection shall be contingent upon the execution of a memorandum of agreement among the Office of Tourism, Trade, and Economic Development; the governing body of the county; and the governing bodies of any municipalities to be included within a rural area of critical economic concern. Such agreement shall specify the terms and conditions of the designation, including, but not limited to, the duties and responsibilities of the county and any participating municipalities to take actions designed to facilitate the retention and expansion of existing businesses in the area, as well as the recruitment of new businesses to the area.

(b) The Office of Tourism, Trade, and Economic Development may accept and administer moneys appropriated to the office to support the implementation of the rural priority recommendation within the statewide strategic economic development plan as

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provided in s. 288.905, including the development of significant
regional economic development projects in each of the designated
rural areas of critical economic concern. The office may
contract with Enterprise Florida, Inc., to develop regional
project implementation plan components to include, but not be
limited to, the identification of potential sites, direct
marketing campaigns within the industry clusters for each area,
identification of costs and barriers related to site preparation
including permitting and infrastructure availability,
development of memoranda of agreement and interlocal agreements
with participating property owners and units of local government
within each area regarding the parameters of project
participation, and the development of incidental marketing
support materials and expenses. The office may approve the
expenditure of funds under this paragraph only to the extent
that funds are appropriated for such purpose by the Legislature.

Section 5. Subsection (6) of section 288.1169, Florida
Statutes, is amended to read:

288.1169 International Game Fish Association World Center
facility.--

(6) The Department of Commerce must recertify every 10
years that the facility is open, that the International Game
Fish Association World Center continues to be the only
international administrative headquarters, fishing museum, and
Hall of Fame in the United States recognized by the
International Game Fish Association, and that the project is
meeting the minimum projections for attendance or sales tax
revenues as required at the time of original certification. If

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the facility is not recertified during this 10-year review as meeting the minimum projections, then funding will be abated until certification criteria are met. If the project fails to generate \$1 million of annual revenues pursuant to paragraph (2)(e), the distribution of revenues pursuant to s. 212.20(6)(d)8.d. ~~212.20(6)(d)7.d.~~ shall be reduced to an amount equal to \$83,333 multiplied by a fraction, the numerator of which is the actual revenues generated and the denominator of which is \$1 million. Such reduction shall remain in effect until revenues generated by the project in a 12-month period equal or exceed \$1 million.

Section 6. Paragraph (b) of subsection (2) of section 985.2155, Florida Statutes, is amended to read:

985.2155 Shared county and state responsibility for juvenile detention.--

(2) As used in this section, the term:

(b) "Fiscally constrained county" means a county ~~designated as a rural area of critical economic concern under s. 288.0656~~ for which the value of a mill in the county is no more than \$4 ~~\$3~~ million, based on the property valuations and tax data annually published by the Department of Revenue under s. 195.052.

Section 7. There is hereby appropriated the sum of \$2 million from the General Revenue Fund for the 2006-2007 fiscal year to the Office of Tourism, Trade, and Economic Development for the implementation of the rural priority recommendation within the statewide strategic economic development plan.

Section 8. This act shall take effect July 1, 2006.

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 547

East County Water Control District, Lee and Hendry Counties

SPONSOR(S): Kreegel

TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Local Government Council	8 Y, 0 N	Smith	Hamby
2) Finance & Tax Committee		Monroe <i>KISM</i>	Diez-Arguelles <i>[Signature]</i>
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

House Bill 547 amends the boundaries to East County Water Control District (District), an independent special district in Lee and Hendry Counties, to include two undeveloped parcels of land owned by separate entities. This bill also corrects a scrivener's error.

According to the Economic Impact Statement, no fiscal impacts are anticipated for either fiscal year 2006-07 or 2007-08.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

The District was created by judicial decree of the twelfth circuit court in 1958. This decree was ratified by the Legislature in 1963 by ch. 63-1549, L.O.F. This special act provided that the District was created under ch. 298, F.S. The District encompasses over 63,000 acres of land and approximately 311 miles of canals. The District is authorized to levy annual installment and maintenance taxes. The collection and enforcement of taxes levied by the District are provided for in the same manner as county taxes. The District's authorization includes the authority to sell land for unpaid and delinquent taxes and the issuance and sale of tax certificates for unpaid taxes.

This bill amends the boundaries of the District to add approximately 63 acres of land (less than 0.1% of the total District), composed of two undeveloped parcels of land owned by two landowners who have consented to inclusion of their property into the District. This bill also corrects a scrivener's error.

C. SECTION DIRECTORY:

Section 1: Subsection (2) of section 1 of section 3 of chapter 2000-423, Laws of Florida, is amended, relating to district creation and boundaries.

Section 2: Provides effective date of upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes ☒ No ☐

IF YES, WHEN? October 12, 2005

WHERE? *News-Press*, Fort Myers, Lee, Charlotte, Collier, Glades and Hendry Counties, Florida

B. REFERENDUM(S) REQUIRED? Yes ☐ No ☒

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached ☒ No ☐

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached ☒ No ☐

Although the EIS states the bill will have no fiscal impact, the district's attorney states the district will benefit from inclusion of the parcels as it will receive additional revenues from the added parcels.

III. COMMENTS

A. CONSTITUTIONAL ISSUES: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Other Comments

Mr. M. Christopher Lyon, Esq., with the law firm of Lewis, Longman & Walker, P.A., representing the District, sent the following statement relating to the boundaries of the district:

This bill proposes to add to the District approximately 63 acres of land, owned by two landowners who approached the District and have consented to inclusion. Additionally, the two parcels are District enclaves, as they are located inside the District's current boundaries but excluded from the District. These parcels to be added already receive the benefit of the services provided by the District, without contributing to the expense of these improvements. If included, the parcels will receive additional benefit from the District in the form of drainage improvements to the land. The District and its residents will also benefit from inclusion of the parcels as they will receive additional revenues from the added parcels.¹

The district attorney has submitted a letter from the District clarifying the parcels of land to be added to the District. The district attorney also submitted consent agreements between the landowners and the District for the two parcels to be included.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.

¹ See Memorandum from M. Christopher Lyon (January 24, 2006) (on file with House of Representatives, Local Government Council).

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1 A bill to be entitled
2 An act relating to the East County Water Control District,
3 Lee and Hendry Counties; amending ch. 2000-423, Laws of
4 Florida; amending the boundaries of the district;
5 providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Subsection (2) of section 1 of section 3 of
10 chapter 2000-423, Laws of Florida, is amended to read:

11 Section 1. Creation; Status; Charter amendments; District
12 boundaries.--

13 (2) The boundaries of the District are hereby declared to
14 be as follows:

15
16 LANDS IN LEE COUNTY, FLORIDA

17
18 TOWNSHIP 43 SOUTH, RANGE 26 EAST

19
20 SECTION 25:

21
22 The following portions of Section 25;

23
24 The East 1/2 of the Northeast 1/4 of the Northeast
25 1/4, together with

26
27 The Northeast 1/4 of the Southeast 1/4 of the
28 Northeast 1/4.

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TOWNSHIP 43 SOUTH, RANGE 27 EAST

SECTION 19:

Commencing at the Southeast corner of Government Lot 5 of said Section 19, said point also being the South 1/4 Section Corner of said Section 19; thence North 89° 32' 09" West along the South line of said Section 19, a distance of 941.16 feet to the POINT OF BEGINNING of this description; thence North 00° 33' 49" West, a distance of 961.01 feet to the Southerly United States Government Easement line of the Caloosahatchee River; thence continuing North 00° 33' 48" West, a distance of 90 feet, more or less, to the Southerly waters edge of the said Caloosahatchee River; thence Southwesterly along the meanders of said Southerly waters edge of the Caloosahatchee River, a distance of 780 feet, more or less; thence South 00° 33' 48" East, a distance of 50 feet, more or less, to the said Southerly United States Government Easement line of the Caloosahatchee River; thence continuing South 00° 33' 48" East, a distance of 578.75 feet to the said South line of Section 19; thence South 89° 32' 09" East along the said South line of Section 19 to the POINT OF BEGINNING, LESS the Easterly 35.80 feet of the above described parcel.

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57 SECTION 30:

58

59 The following portions of Section 30;

60

61 That portion of the West 1/2 of said Section 30 lying
62 North of State Road 80, LESS the West 118.40 feet
63 thereof.

64

65 That portion of the Northwest 1/4 of the Northeast
66 ~~Northwest~~ 1/4 of Section 30 lying North of State Road
67 80.

68

69 That portion of Section 30 lying South of the
70 Southerly Right-of-Way line of State Road 80, LESS the
71 West 200.00 feet of said Section 30 lying South of
72 Hickey's Creek,

73

74 AND LESS lots 18 thru 28, Lots 31 and 32, Lots 37 and
75 38, Lots 41 thru 44 all as shown on Pine Creek Acres,
76 Unit No. 1 as recorded in Plat Book 10, Page 13 of the
77 Public Records of Lee County, Florida.

78

79 AND LESS Lot 1, Lots 23 and 24, Lots 27 and 28, the 50
80 foot Right-of-Way for Dixie Lane and that portion of
81 the 50 foot Right-of-Way for Pine Boulevard lying
82 Easterly of a line connecting the Northeast corner of
83 Lot 92 with the Southeast corner of Lot 35 all as
84 shown on Pine Creek Acres, Unit No. 2 as recorded in

85 Plat Book 10, Page 74 of the said Public Records,

86
87 AND LESS the following described parcel;

88
89 BEGINNING at the Northeast corner of Pine Creek Acres,
90 Unit No. 1 as recorded in Plat Book 10, Page 13 of the
91 said Public Records; thence South 00° 56' 00" East
92 along the East line of said Pine Creek Acres, Unit No.
93 1 and the Southerly projection thereof, a distance of
94 223.86 feet; thence North 89° 35' 20" East, a distance
95 of 166.20 feet; thence North 00° 24' 40" West, a
96 distance of 203.00 feet to the said Southerly Right-
97 of-Way line of State Road 80; thence North 82° 54' 00"
98 West along the said Southerly Right-of-Way line of
99 State Road 80 to the POINT OF BEGINNING,

100
101 AND LESS the following described parcel;

102
103 Commencing at the said Northeast corner of Pine Creek
104 Acres, Unit No. 1; thence South 00° 56' 00" East along
105 the said East line of Pine Creek Acres, Unit No. 1 and
106 the Southerly projection thereof, a distance of 223.86
107 feet; thence North 89° 35' 20" East, a distance of
108 166.20 feet; thence North 00° 24' 40" West, a distance
109 of 203.00 feet to the said Southerly Right-of-Way line
110 of State Road 80, thence South 82° 54' 00" East along
111 the said Southerly Right-of-Way line of State Road 80,
112 a distance of 137.61 feet to the POINT OF BEGINNING of

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113 | this description; thence South 00° 24' 40" East, a
114 | distance of 237.58 feet; thence North 89° 35' 20"
115 | East, a distance of 209.19 feet; thence South 00° 24'
116 | 40" East, a distance of 918.16 feet; thence North 89°
117 | 35' 20" East, a distance of 420.00 feet; thence North
118 | 00° 24" 40" West, a distance of 1069.39 feet to the
119 | said Southerly Right-of-Way line of State Road 80;
120 | thence Northwesterly along the said Southerly Right-
121 | of-Way line of State Road 80 to the POINT OF
122 | BEGINNING,

123 |
124 | AND LESS the following described parcel;

125 |
126 | BEGINNING at the intersection of the East line of the
127 | Northwest 1/4 of the Northeast 1/4 of said Section 30
128 | and the said Southerly Right-of-Way line of State Road
129 | 80; thence South 00° 24' 40" East along the East line
130 | of the West 1/2 of the Northeast 1/4 of said Section
131 | 30 to a point which is South 00° 24' 40" East, a
132 | distance of 129.00 feet from the Northwest corner of
133 | the Southeast 1/4 of the Northeast 1/4 of said Section
134 | 30; thence South 89° 41' 55" East along a line
135 | parallel with the North line of the said Southeast 1/4
136 | of the Northeast 1/4, a distance of 337.00 feet;
137 | thence North 00° 24' 40" West to the said Southerly
138 | Right-of-Way line of State Road 80; thence North 81°
139 | 08' 00" West along the said Southerly Right-of-Way
140 | line of State Road 80 to the POINT OF BEGINNING.

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141

142 SECTION 31:

143

144 The following portions of Section 31;

145

146 The West 1/2, together with

147

148 The West 1/2 of the Southeast 1/4, together with

149

150 The Southeast 1/4 of the Southeast 1/4, together with

151

152 The Southwest 1/4 of the Northeast 1/4, together with

153

154 The Southwest 1/4 of the Northwest 1/4 of the

155 Northeast 1/4, together with

156

157 The Northeast 1/4 of the Northeast 1/4 of the

158 Northeast 1/4.

159

160 SECTION 36:

161

162 The East 1/2 of Section 36, LESS the Northwest 1/4 of

163 the Northeast 1/4 thereof.

164

165 TOWNSHIP 44 SOUTH, RANGE 26 EAST

166

167 SECTION 1-3:

168

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169 All of Sections 1, 2 and 3.

170

171 SECTION 4:

172

173 The East 1/2 of Section 4.

174

175 SECTION 10:

176

177 The following portions of Section 10;

178

179 The East 1/2 of the Southeast 1/4, together with

180

181 The Northwest 1/4 of the Southeast 1/4.

182

183 SECTIONS 11-14:

184

185 All of Sections 11, 12, 13 and 14.

186

187 SECTION 15:

188

189 The East 1/2 of the East 1/2 of Section 15.

190

191 SECTION 16:

192

193 The following portions of Section 16;

194

195 All of Units 1 through 5 of "Lehigh Acres" as recorded
196 in Plat Book 27, Page 186 of the Public Records of Lee

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197 County, Florida together with,
198
199 Lot 16, Block 36 of "Buckingham Park, Northwest
200 Section" as recorded in Plat Book 9, Page 92 of the
201 said Public Records.

202
203 SECTION 19:

204
205 The following portions of Section 19;

206
207 The Southeast 1/4, together with

208
209 That portion of the Northeast 1/4 of said Section 19
210 lying South of Buckingham Road.

211
212 SECTION 20:

213
214 The following portions of Section 20;

215
216 The South 1/2, together with

217
218 That portion of the North 1/2 of said Section 20 lying
219 South of Buckingham Road.

220
221 SECTION 21:

222
223 The following portions of "Buckingham Park, South
224 Section" as recorded in Plat Book 9, Page 99 of the

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225 said Public Records being in Section 21;
 226
 227 Lots 3 through 10 of Block 40,
 228
 229 Lots 1 and 3 of Block 38,
 230
 231 Lot 28 of Block 29,
 232
 233 The North 40 feet of Lot 29 of Block 29,
 234
 235 All of Tract "D",
 236
 237 All of Block "E"
 238
 239 together with,
 240
 241 the Re-subdivision of that portion of Block "E" of
 242 said "Buckingham Park, South Section" as replatted on
 243 "Plat of Unit 3 Lehigh Park, a Subdivision of Lehigh
 244 Acres" as recorded in Plat Book 15, Page 66 of the
 245 said Public Records, together with
 246
 247 That portion of said Section 21 lying Southwesterly of
 248 the centerline of a 60 foot easement as described in
 249 Miscellaneous Book 32, Page 335 of the said Public
 250 Records.
 251
 252 SECTION 22:

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253
254 That portion of Section 22 lying South and
255 Southwesterly of Homestead Road as shown on Plat of
256 "Buckingham Park Entrance Roads" as recorded in Plat
257 Book 9, Page 97 of the said Public Records.

258
259 SECTIONS 23-29:

260
261 All of Sections 23, 24, 25, 26, 27, 28 and 29.

262
263 SECTION 30:

264
265 The following portions of Section 30;

266
267 The South 1/2, together with

268
269 The Northeast 1/4, together with

270
271 The South 100 feet of the North 1/2.

272
273 SECTION 31:

274
275 That portion of said Section 31 lying Northeasterly of
276 State Road 82.

277
278 SECTIONS 32-36:

279
280 All of Sections 32, 33, 34, 35 and 36.

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TOWNSHIP 44 SOUTH, RANGE 27 EAST

SECTION 1:

All of Section 1.

SECTION 2:

All of Section 2, LESS the Northwest 1/4 of the
Northwest 1/4 thereof.

SECTION 3:

All of Section 3, LESS the Northeast 1/4 thereof,

AND LESS the East 1/2 of the Northwest 1/4 thereof.

SECTIONS 4-6:

All of Sections 4, 5 and 6.

SECTION 7:

The following portions of Section 7;

The South 1/2, together with

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309 The Northwest 1/4, together with
 310
 311 The Southwest 1/4 of the Northeast 1/4, together with
 312
 313 The North 1/2 of the Northeast 1/4, together with
 314
 315 The North 854 feet of the East 466 feet of the
 316 Southeast 1/4 of the Northeast 1/4.

317
 318 SECTION 8:

319
 320 The following portions of Section 8;
 321
 322 The South 1/2, together with
 323
 324 The Northwest 1/4 of the Northeast 1/4, together with
 325
 326 The West 1/2 of the Northeast 1/4, together with
 327
 328 The East 3/4 of the Southeast 1/4 of the Northwest
 329 1/4.

330
 331 SECTION 9:

332
 333 All of said Section 9, LESS the Southwest 1/4 of the
 334 Northeast 1/4 thereof.

335
 336 SECTIONS 10-36:

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337
 338 All of Sections 10, 11, 12, 13, 14, 15, 16, 17, 18,
 339 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31,
 340 32, 33, 34, 35 and 36.
 341
 342 TOWNSHIP 45 SOUTH, RANGE 26 EAST
 343
 344 SECTIONS 1-3:
 345
 346 All of Section 1, 2 and 3.
 347
 348 SECTION 4:
 349
 350 All that portion of Section 4 lying North of State
 351 Road 82.
 352
 353 SECTION 5:
 354
 355 All that portion of Section 5 lying North of State
 356 Road 82.
 357
 358 SECTION 6:
 359
 360 All that portion of Section 6 lying North of State
 361 Road 82.
 362
 363 SECTION 9:
 364

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365 All that portion of Section 9 lying North of State
 366 Road 82.
 367
 368 SECTION 10:
 369
 370 All that portion of Section 10 lying North of State
 371 Road 82.
 372
 373 SECTION 11:
 374
 375 All that portion of Section 11 lying North of State
 376 Road 82.
 377
 378 SECTION 12:
 379
 380 All of Section 12.
 381
 382 SECTION 13:
 383
 384 All that portion of Section 13 lying North of State
 385 Road 82.
 386
 387 SECTION 14:
 388
 389 All that portion of Section 14 lying North of State
 390 Road 82.
 391
 392 TOWNSHIP 45 SOUTH, RANGE 27 EAST

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393

394 SECTIONS 1-3 ~~1-2~~:

395

396 All of Sections 1, and 2 and 3.

397

398 ~~SECTION 3-~~

399

400 ~~The following portions of Section 3,~~

401

402 ~~The South 1/2, together with~~

403

404 ~~The Northeast 1/4, together with~~

405

406 ~~The East 1/2 of the Northwest 1/4, together with the~~
407 ~~following described parcel;~~

408

409 ~~Commencing at the Northeast corner of Government Lot 4~~
410 ~~of said Section 3, thence Southerly along the East~~
411 ~~line of said Government Lot 4, a distance of 631.60~~
412 ~~feet to the POINT OF BEGINNING of this description;~~
413 ~~thence continue Southerly along the said East line of~~
414 ~~Government Lot 4, a distance of 315.90 feet; thence~~
415 ~~Westerly, a distance of 660.00 feet; thence Northerly~~
416 ~~along a line parallel with the said East line of~~
417 ~~Government Lot 4, a distance 315.90 feet; thence~~
418 ~~Easterly, a distance of 660.00 feet to the POINT OF~~
419 ~~BEGINNING, Together with the following described~~
420 ~~parcel-~~

421

422 ~~Commencing at the Northeast corner of said Government~~
423 ~~Lot 4 of Section 3, thence Southerly along the East~~
424 ~~line of said Government Lot 4, a distance of 157.90~~
425 ~~feet to the POINT OF BEGINNING of this description,~~
426 ~~thence continue Southerly along the said Easterly line~~
427 ~~of Government Lot 4, a distance of 315.80 feet; thence~~
428 ~~Westerly, a distance of 330.00 feet; thence Northerly,~~
429 ~~a distance of 315.80 feet; thence Easterly, a distance~~
430 ~~of 330.00 feet to the POINT OF BEGINNING, Together~~
431 ~~with the following described parcel:~~

432

433 ~~Commencing at the Northwest corner of said Government~~
434 ~~Lot 4; thence Southerly along the West line of said~~
435 ~~Section 3, a distance of 631.60 feet to the POINT OF~~
436 ~~BEGINNING of this description; thence Easterly, a~~
437 ~~distance of 660.00 feet; thence Southerly, a distance~~
438 ~~of 315.90 feet; thence Westerly, a distance of 660.00~~
439 ~~feet; thence Northerly, a distance of 315.90 feet to~~
440 ~~the POINT OF BEGINNING,~~

441

442 ~~Together with the following described parcel:~~

443

444 ~~Commencing at the Northwest corner of Section 3,~~
445 ~~thence North 89° 15' 00" East along the North line of~~
446 ~~said Section 3, a distance of 1326.37 feet to the~~
447 ~~Northeast corner of Government Lot 4 of said Section~~
448 ~~3; thence South 01° 02' 02" East along the East line~~

449 ~~of said Government Lot 4, a distance of 473.70 feet to~~
450 ~~the POINT OF BEGINNING of this description; thence~~
451 ~~continuing South 01° 02' 02" East, a distance of~~
452 ~~157.90 feet; thence South 89° 15' 05" West, a distance~~
453 ~~of 330.00 feet; thence North 00° 32' 28" West, a~~
454 ~~distance of 157.90 feet; thence North 89° 15' 03"~~
455 ~~East, a distance of 330.00 feet to the said East line~~
456 ~~of Government Lot 4 and the POINT OF BEGINNING;~~

457
458 ~~Together with the following described parcel:~~

459
460 ~~Commencing at the Northwest corner of Section 3,~~
461
462 ~~thence South 00° 02' 50" East along the West line of~~
463 ~~said Section 3, a distance of 947.50 feet to the POINT~~
464 ~~OF BEGINNING of this description; thence North 89° 15'~~
465 ~~10" East, a distance of 1342.70 feet; thence South 01°~~
466 ~~02' 07" East, a distance of 631.80 feet; thence South~~
467 ~~89° 15' 15" West, a distance of 676.80 feet; thence~~
468 ~~South 00° 32' 28" East, a distance of 928.52 feet to a~~
469 ~~point on the East/West 1/4 Section line of said~~
470 ~~Section 3; thence North 89° 54' 56" West along the~~
471 ~~said East/West 1/4 Section line of Section 3, a~~
472 ~~distance of 684.84 feet to the West 1/4 corner of said~~
473 ~~Section 3; thence North 00° 02' 50" West along the~~
474 ~~West line of said Section 3, a distance of 1550.46~~
475 ~~feet to the POINT OF BEGINNING.~~

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477 SECTION 4:

478

479 All of Section 4, LESS the Southeast 1/4 of the
480 Southeast 1/4 thereof,

481

482 AND LESS the South 1/2 of the Northeast 1/4 of the
483 Southeast 1/4 of said Section 4.

484

485 AND LESS the South 1/2 of the Northeast 1/4 of the
486 Northeast 1/4 of the Southeast 1/4 of said Section 4,

487

488 AND LESS the Northwest 1/4 of the Northeast ¼ of the
489 Southeast 1/4 of said Section 4.

490

491 SECTION 5:

492

493 The following portions of Section 5;

494

495 The Northwest 1/4, together with

496

497 The East 3/4 of the North 1/2 of the Southwest 1/4,
498 together with The South 1/2 of the Southwest 1/4,
499 together with

500

501 The Southwest 1/4 of the Southeast 1/4 LESS the South
502 175 feet of the East 125 feet thereof, together with
503 The following described parcel being in the Northeast
504 1/4 of the Northeast 1/4 of said Section 5; Commencing

505 at the Northeast corner of said Section 5; thence
506 Westerly along the North line of said Section 5, said
507 North line of Section 5 being the South line of Units
508 7 and 18 of "Leeland Heights" as shown on plat
509 recorded in Plat Book 12, Page 53 of the said Public
510 Records, a distance of 116.51 feet to the Southwest
511 corner of Lot 10 of Block 87 of said "Leeland Heights"
512 and the POINT OF BEGINNING of this description; thence
513 continuing Westerly along the said North line of
514 Section 5, a distance of 1208.55 feet to the Northwest
515 corner of the Northeast 1/4 of the Northeast 1/4 of
516 said Section 5; thence South 01° 35' 34" East along
517 the West line of the said Northeast 1/4 of the
518 Northeast 1/4 of Section 5, a distance of 1149.72
519 feet; thence Easterly along a line parallel with the
520 said North line of Section 5, a distance of 1268.07
521 feet to a point of intersection with a line parallel
522 with and 60 feet Westerly of (as measured at right
523 angles) the East line of said Section 5; thence North
524 01° 44' 40" West along said parallel line, a distance
525 of 1089.78 feet to a point of intersection with a line
526 parallel with and 60 feet Southerly of (as measured at
527 right angles) the said North line of Section 5; thence
528 Westerly along said line parallel with and 60 feet
529 Southerly of the North line of Section 5, a distance
530 of 58.31 feet to a point of intersection with the
531 Southerly prolongation of the West line of said Lot 10
532 of Block 87 of "Leeland Heights"; thence Northerly

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533 along said Southerly prolongation, a distance of 60.00
534 feet to the POINT OF BEGINNING. Bearings in last
535 described parcel relative to said Plat of Units 7 and
536 18 of "Leeland Heights".

537

538 SECTION 6:

539

540 All of Section 6, ~~LESS the Northwest 1/4 of the~~
541 ~~Southwest 1/4 of the Northeast 1/4 thereof,~~

542

543 ~~AND LESS the South 1/2 of the Northeast 1/4 of the~~
544 ~~Southwest 1/4 of the Northeast 1/4 of said Section 6,~~

545

546 ~~AND LESS the South 1/2 of the Southeast 1/4 of the~~
547 ~~Northwest 1/4 of the Northeast 1/4 of said Section 6,~~

548

549 ~~AND LESS the South 1/2 of the Southwest 1/4 of the~~
550 ~~Northwest 1/4 of the Northeast 1/4 of said Section 6,~~

551

552 ~~AND LESS the North 1/2 of the Northeast 1/4 of the~~
553 ~~Northwest 1/4 of the Northeast 1/4 of said Section 6,~~

554

555 ~~AND LESS~~ the following described parcel,

556

557 BEGINNING at the Southwest corner of Government Lot 5
558 of said Section 6; thence Northerly along the West
559 line of said Government Lot 5, a distance of 466.70
560 feet; thence Easterly along a line parallel with the

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561 South line of said Government Lot 5, a distance of
562 466.70 feet; thence Southerly along a line parallel
563 with the said West line of Government Lot 5, a
564 distance of 466.70 feet; thence Westerly along the
565 South line of said Government Lot 5, a distance of
566 466.70 feet to the POINT OF BEGINNING.

567
568 SECTION 7:

569
570 All of Section 7.

571
572 SECTION 8:

573
574 All of Section 8, LESS the Southwest 1/4 of the
575 Southeast 1/4 thereof.

576
577 SECTION 9:

578
579 The following portions of Section 9;

580
581 The West 1/2 of the Southwest 1/4, together with

582
583 The Southeast 1/4, together with

584
585 The West 1/2 of the Northeast 1/4, together with

586
587 The Southeast 1/4 of the Northeast 1/4.

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589 SECTIONS 10-17:

590

591 All of Sections 10, 11, 12, 13, 14, 15, 16 and 17.

592

593 SECTION 18:

594

595 All of Section 18, LESS the 200 foot Right-of-Way for
596 State Road 82 thereof,

597

598 AND LESS the Westerly 25 feet of that portion of said
599 Section 18 lying Northerly of said State Road 82, said
600 25 foot strip as conveyed to Lee County for roadway
601 purposes by deed recorded in Official Record Book 147,
602 Page 73 of the said Public Records of Lee County.

603

604 SECTION 19:

605

606 All of Section 19, LESS the 200 foot Right-of-Way for
607 State Road 82 thereof,

608

609 AND LESS the following described parcel, BEGINNING at
610 the Northeast corner of said Section 19; thence South
611 00° 34' 00" East along the East line of said Section
612 19 to the East 1/4 Section corner of said Section 19;
613 thence South 89° 53' 40" West along the East/West 1/4
614 Section line of said Section 19, a distance of 1479.38
615 feet; thence North 00° 39' 20" West along a line
616 parallel with and 156.00 feet Westerly of (as measured

at right angles) the West line of the East 1/2 of the
Northeast 1/4 of said Section 19, a distance of
2019.77 feet to a point of intersection with the
Southwesterly Right-of-Way line of said State Road 82;
thence South 64° 06' 00" East along the said
Southwesterly right-of-Way line of State Road 82, a
distance of 174.40 feet to a point of intersection
with the said West line of the East 1/2 of the
Northeast 1/4 of Section 19; thence North 00° 39' 20"
West along the said West line of the East 1/2 of the
Northeast 1/4 of Section 19, a distance of 223.58 feet
to a point of intersection with the Northeasterly
Right-of-Way line of State Road 82; thence North 64°
06' 00" West along the said Northeasterly Right-of-Way
line of State Road 82, a distance of 400.00 feet;
thence North 49° 30' 50" East, a distance of 465.93
feet to the Northwest corner of the said East 1/2 of
the Northeast 1/4 of Section 19; thence North 89° 55'
00" East along the North line of said Section 19, a
distance of 1327.50 feet to the POINT OF BEGINNING.

SECTION 20:

All of Section 20, LESS the 200 foot Right-of-Way for
State Road 82 thereof,

AND LESS the following described parcel, BEGINNING at
the Northwest corner of said Section 20; thence North

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645 89° 15' 50" East along the North line of said Section
 646 20, a distance of 227.46 feet; thence South 00° 34'
 647 00" East along a line parallel with the West line of
 648 said Section 20, a distance of 1516.82 feet to a point
 649 of intersection with the Northerly Right-of-Way line
 650 of State Road 82; thence North 49° 52' 20" West along
 651 the said Northerly Right-of-Way line of State Road 82,
 652 a distance of 300.00 feet to a point of intersection
 653 with the West line of said Section 20; thence North
 654 00° 34' 00" East along the said West line of Section
 655 20 to the POINT OF BEGINNING

656
 657 AND LESS the following described parcel, BEGINNING at
 658 the intersection of the Southwesterly Right-of-Way
 659 line of State Road 82 and the South line of said
 660 Section 20; thence North 24° 51' 40" West along the
 661 said Southwesterly Right-of-Way line of State Road 82,
 662 a distance of 1000.00 feet; thence South 32° 24' 30"
 663 West, a distance of 1081.39 feet to a point of
 664 intersection with the said South line of Section 20;
 665 thence North 89° 40' 40" East along the said South
 666 line of Section 20, a distance of 1000.00 feet to the
 667 POINT OF BEGINNING. Last described parcel being
 668 recorded in Deed Book 306, Page 153 of the said Public
 669 Records of Lee County.

670
 671 SECTIONS 21-26:
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673 All of Sections 21, 22, 23, 24, 25 and 26.
674
675 SECTION 27:
676
677 All of Section 27 lying NORTH of State Road 82.
678
679 SECTION 28:
680
681 All of Section 28 lying North of State Road 82.
682
683 SECTION 29:
684
685 All of Section 29 lying North of State Road 82.
686
687 SECTION 34:
688
689 All of Section 34 lying North of State Road 82.
690
691 SECTION 35:
692
693 All of Section 35 lying North of State Road 82.
694
695 SECTION 36:
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697 All of Section 36 LESS the 200 foot Right-of-Way for
698 State Road 82 thereof.
699
700 LANDS IN HENDRY COUNTY, FLORIDA.

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TOWNSHIP 43 SOUTH, RANGE 28 EAST

SECTION 30:

The following portions of Section 30;

The West 400.00 feet of the Southwest 1/4 less the
right-of-way for State Road 80, together with

The parcel commencing at the West 1/4 corner of
Section 30; thence along the West Section line North
01° 01' 11" West, a distance of 164.01 feet to the
North right-of-way line of State Road 80 and the POINT
OF BEGINNING; thence continuing North 01° 01' 11"
West, a distance of 1156.17 feet to the South Right-
of-Way line for the Caloosahatchee River (C-43 canal);
thence along said South Right-of-Way line North 78°
07' 28" East, a distance of 162.92 feet; thence South
01° 01' 11" East, a distance of 415.55 feet; thence
South 45° 02' 36" East, a distance of 345.35 feet;
thence South 01° 01' 11" East, a distance of 520.42
feet to the North Right-of-Way for State Road 80;
thence along said right-of-way South 88° 36' 43" West,
a distance of 400.00 feet to the POINT OF BEGINNING

SECTION 31:

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729 The following portions of Section 31;
730
731 The Southeast 1/4 of the Northwest 1/4, together with
732
733 The East 1/2 of the Southwest 1/4, together with,
734
735 The South 185.00 feet of the North 1/2 of the
736 Northwest 1/4 less the West 1189.24 feet of the East
737 1439.25 feet of the South 25.00 feet thereof;
738
739 Together with the West 660.76 feet of the North 30.00
740 feet of the Southwest 1/4 of the Northwest 1/4,
741
742 Together with the West 400.00 feet of the Northwest
743 1/4 of the Northwest 1/4.
744
745 TOWNSHIP 44 SOUTH, RANGE 28 EAST
746
747 SECTION 6:
748
749 The West 1/2 of Section 6.
750
751 SECTION 7:
752
753 The West 1/2 of Section 7.
754
755 SECTION 18:
756

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757 The West 1/2 of Section 18.

758

759 SECTION 19:

760

761 The West 1/2 of Section 19.

762

763 SECTION 30:

764

765 The West 1/2 of Section 30.

766

767 SECTION 31:

768

769 The West 1/2 of Section 31.

770 Section 2. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 753

Homestead Tax Deferral

SPONSOR(S): Rivera

TIED BILLS:

IDEN./SIM. BILLS: SB 1268

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax Committee		Monroe <i>KDSM</i>	Diez-Arguelles <i>[Signature]</i>
2) Local Government Council			
3) Fiscal Council			
4)			
5)			

SUMMARY ANALYSIS

Section 197.252, F.S. allows qualified persons to defer paying the property taxes on homestead property until ownership of the property has changed. The amount of taxes which can be deferred depends on the age and household income of the person deferring the taxes. Under current law:

- Any person may defer that portion of their tax bill which exceeds 5 percent of their household income.
- A person 65 or older may defer that portion of their tax bill which exceeds 3 percent of their household income.
- A person 70 or older whose household income is \$12,000 or under may defer their entire tax bill.
- Any person with a household income under \$10,000 may defer their entire tax bill.

Under this bill, a person 65 or older whose household income qualifies them for the additional homestead exemption under s. 196.075, F.S. may defer their entire tax bill. (In 2006 this amount is \$23,463.).

This bill has no fiscal impact since it simply changes the date on which the taxes are collected.

This bill has an effective date of January 1, 2007.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the house principles.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Section 197.252, F.S., allows people to defer paying the property taxes on homestead property until ownership of the property has changed. Under current law,

- Any person may defer that portion of their tax bill which exceeds 5 percent of their household income.
- A person 65 or older may defer that portion of their tax bill which exceeds 3 percent of their household income.
- A person 70 or older whose household income is \$12,000 or under may defer their entire tax bill.
- Any person with a household income under \$10,000 may defer their entire tax bill.

Under this program, payment of both ad valorem taxes and some non ad-valorem assessments can be deferred. Taxes cannot be deferred if the value of the primary mortgage is greater than 70 percent of the just value of the property or if all unsatisfied debt on the property, including deferred taxes, exceeds 85 percent of the just value of the homestead.

A tax certificate is issued to the county for any taxes deferred under this statute. The county then holds these certificates until such time as the taxes become due and payable. These taxes become due and payable if ownership or use of the homesteaded property changes or if all unsatisfied liens on the property grow to an amount which exceeds 85% of the property's just value.

During the time the county holds the certificates, interest is accrued at a rate of "0.5 percent plus the average yield to maturity of the long-term fixed-income portion of the Florida Retirement System investments as of the end of the quarter preceding the date of the sale of the deferred payment tax certificates; however, the interest rate may not exceed 9.5 percent." S. 197.262(2), F.S. In 2005 this interest rate was 5.59 percent.

Proposed Changes

Under this bill, the payment of the entire tax bill could be deferred by individuals who are 65 or older and have a household income that would qualify them for the additional homestead exemption for low income seniors, governed by s. 196.075, F.S., which reads:

(2) . . . any person . . . who has attained age 65, and whose household income does not exceed \$20,000.

(3) Beginning January 1, 2001, the \$20,000 income limitation shall be adjusted annually, on January 1, by the percentage change in the average cost-of-living index in the period January 1, through December 31 of the immediate prior year compared with the same period for the year prior to that. The index is the average of the monthly consumer-price-index figures for the state 12-month period, relative to the United States as a whole, issued by the United States Department of Labor.

In 2006, the maximum qualified income under this statute is \$23,463.

Thus, if this bill passes, the amount of taxes which may be deferred by an individual would change so that:

- Any person may defer that portion of their tax bill which exceeds 5 percent of their household income.
- A person 65 or older may defer that portion of their tax bill which exceeds 3 percent of their household income.
- A person 65 or older whose household income qualifies them for the additional homestead exemption under s. 196.075, F.S., may defer their entire tax bill.
- Any person with a household income under \$10,000 may defer their entire tax bill.

C. SECTION DIRECTORY:

Section 1 amends s. 197.252, F.S., changing the eligibility criteria for participating in the tax deferral program.

Section 2 provides that the bill shall take effect January 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill will allow qualified seniors to defer payment of their property taxes until such time as their property experiences a change in ownership. As such, it may delay the collection of some taxes. However, it will not reduce local revenue raising capacity on the whole and the amount of taxes deferred under this program should be minimal.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill will allow qualified low income seniors to defer the payment of their property taxes allowing them another option in managing their financial needs.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision of the State Constitution is not applicable because: this bill does not require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

HB 753

2006

1 A bill to be entitled
2 An act relating to homestead tax deferral; amending s.
3 197.252, F.S.; revising income and age criteria for
4 granting approval of applications for deferral of certain
5 taxes and assessments relating to an increased homestead
6 exemption by reason of age and residency; providing an
7 effective date.

9 Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (b) of subsection (2) of section
197.252, Florida Statutes, is amended to read:

13	197.252	Homestead tax deferral.--
----	---------	---------------------------

4 (2)

(b) In the event the applicant is entitled to claim the increased exemption by reason of age and residency as provided in s. 196.031(3)(a), approval of such application shall defer that portion of such ad valorem taxes plus non-ad valorem assessments which exceeds 3 percent of the applicant's household's income for the prior calendar year. If any such applicant's household income for the prior calendar year is less than \$10,000, or is less than the household income designated for the additional homestead exemption pursuant to s. 196.075 ~~\$12,000~~ if such applicant is 65 ~~70~~ years of age or older, approval of such application shall defer such ad valorem taxes plus non-ad valorem assessments in their entirety.

27 Section 2. This act shall take effect January 1, 2007.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. 0753

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)

ADOPTED AS AMENDED _____ (Y/N)

ADOPTED W/O OBJECTION _____ (Y/N)

FAILED TO ADOPT _____ (Y/N)

WITHDRAWN _____ (Y/N)

OTHER _____

Council/Committee hearing bill: Finance & Tax Committee

Representative(s) offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause, and insert:

Section 1. Paragraph (b) of subsection (2) and subsection
(4) of section 197.252, Florida Statutes, are amended to read:

197.252 Homestead tax deferral.--

(2)

(b) ~~If in the event~~ the applicant is entitled to claim the increased exemption by reason of age and residency as provided in s. 196.031(3)(a), approval of such application shall defer that portion of such ad valorem taxes plus non-ad valorem assessments which exceeds 3 percent of the applicant's household's income for the prior calendar year. If any such applicant's household income for the prior calendar year is less than \$10,000, or is less than the amount of the household income designated for the additional homestead exemption pursuant to s. 196.075 and the \$12,000 ~~if such applicant is 65 70~~ years of age or older, approval of the ~~such~~ application shall defer such ad valorem taxes plus non-ad valorem assessments in their entirety.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

(4) The amount of taxes, non-ad valorem assessments, and interest deferred pursuant to this act shall accrue interest at a rate equal to the semiannually compounded rate of one-half of 1 percent plus the average yield to maturity of the long-term fixed-income portion of the Florida Retirement System investments as of the end of the quarter preceding the date of the sale of the deferred payment tax certificates; however, the interest rate may not exceed 7 9.5 percent.

Section 2. This act shall take effect July 1, 2006.

===== T I T L E A M E N D M E N T =====

Remove the entire title, and insert:

An act relating to the deferral of ad valorem property taxes; amending s. 197.252, F.S.; decreasing the age and increasing the income threshold required for eligibility to defer ad valorem property taxes; decreasing the maximum interest rate that may be charged on deferred ad valorem taxes; providing an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

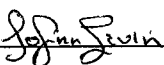
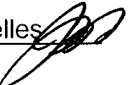
BILL #: HM 885

Death Tax

SPONSOR(S): Stargel

TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax Committee		Levin 	Diez-Arguelles 
2) Rules & Calendar Council			
3) Fiscal Council			
4)			
5)			

SUMMARY ANALYSIS

In 2001, the United States Congress passed The Economic Growth and Tax Relief Reconciliation Act, Public Law 107-16, which phased out the federal estate tax over a number of years. Title IX of that law - Compliance With Congressional Budget Act - Section 901 provided that the phase out would not apply to estates of decedents dying after December 31, 2010.

House Memorial 885 urges Congress to immediately and permanently repeal the death tax.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes – The House Memorial urges the permanent elimination of certain federal taxes.

B. EFFECT OF PROPOSED CHANGES:

None. The House Memorial does not affect Florida Law.

C. SECTION DIRECTORY:

Not Applicable

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None. The Florida Estate Tax is limited to the amount allowable as a credit against federal estate taxes, and no credit is currently available.

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

HM 885

2006

House Memorial

A memorial to the Congress of the United States urging the immediate and permanent repeal of the death tax.

WHEREAS, under federal tax relief legislation passed in 2001, the death tax was temporarily phased out but not permanently eliminated, and

WHEREAS, farmers and other small business owners face losing their farms and businesses if the Federal Government resumes the heavy taxation of citizens at death, and

WHEREAS, the death tax is particularly damaging to families who are trying to accumulate wealth for the first time, and

WHEREAS, employees suffer layoffs when small and medium-sized businesses are liquidated to pay death taxes, and

WHEREAS, if the death tax had been repealed in 1996, the United States economy would have realized billions of dollars each year in extra output, and an average of 145,000 new jobs would have been created, and

WHEREAS, the United States Congress has repeatedly passed legislation repealing the death tax, which shows widespread, bipartisan support for such a repeal, NOW, THEREFORE,

Be It Resolved by the Legislature of the State of Florida:

That the United States Congress is requested to immediately and permanently repeal the death tax.

BE IT FURTHER RESOLVED that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

HM 885

2006

30 | United States House of Representatives, and to each member of
31 | the Florida delegation to the United States Congress.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (1)

Bill No. 885

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Finance & Tax Committee
Representative(s) Stargel offered the following:

Amendment (with title amendment)

Remove everything after the resolving clause and insert:

WHEREAS, under federal tax relief legislation passed in
2001, the death tax was temporarily phased out but not
permanently eliminated, and

WHEREAS, farmers and other small business owners face
losing their farms and businesses if the Federal Government
resumes the heavy taxation of citizens at death, and

WHEREAS, the death tax is particularly damaging to families
who are trying to accumulate wealth for the first time, and

WHEREAS, employees suffer layoffs when small and medium-
sized businesses are liquidated to pay death taxes, and

WHEREAS, the United States House of Representatives has
repeatedly passed legislation repealing the death tax, which
shows widespread, bipartisan support for such a repeal, NOW,
THEREFORE,

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (1)

23
24 Be It Resolved by the Legislature of the State of Florida:

25
26 That the United States Congress is requested to immediately
27 and permanently repeal the death tax.

28 BE IT FURTHER RESOLVED that copies of this memorial be
29 dispatched to the President of the United States, to the
30 President of the United States Senate, to the Speaker of the
31 United States House of Representatives, and to each member of
32 the Florida delegation to the United States Congress.
33
34